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The Law of the Sea: Crossroads for U.S. Policy

Leigh S. Ratiner

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EDITOR'S NOTE

In an issue that varies even more than usual in the range of subjects covered, it may be useful to say a word on the policy—or lack of policy—that guides the order in which articles appear in these pages. Many of our readers probably pay justifiably little heed to the order of march, and some doubtless move directly to individual articles in areas of special interest to them.

But for what it is worth we note that, apart from a few leading articles that tend to select themselves, our aim is usually not to indicate any special order of importance or breadth of appeal. We tend to run especially long articles after the first few, and often deliberately place clearly strong articles at the tail, to conclude emphatically. We almost always group articles on related subjects, usually under a subheading, and once in a great while, when an article reaches us late, we put it at or toward the end for press convenience.

Each of these criteria happens to have influenced the format of this issue. Because the article by General Rogers deals in part with the nuclear weapons issues raised by the lead article in our Spring issue, we put it close to the correspondence on that subject (itself separated from the rest of Comment and Correspondence). Our German authors—a late arrival—and Robert Komer then fell into sequence. Any neatness that results is coincidental—all the articles came to us separately; each stands on its own bottom.

A final word on Leigh Ratiner's reflections on the Law of the Sea Conference. Ordinarily we are less fascinated than some of our fellow media by the personal and bureaucratic background of key current events (retrospective articles are another matter). But in this instance the negotiations were not as well publicized as they might have been, and the author's account of the background seemed essential to understanding his view of what happened and how an important situation reached its present pass.

The articles in FOREIGN AFFAIRS *do not represent any consensus of beliefs. We do not expect that readers of the review will sympathize with all the sentiments they find there, for some of our writers will flatly disagree with others; but we hold that while keeping clear of mere vagaries* FOREIGN AFFAIRS *can do more to inform American public opinion by a broad hospitality to divergent ideas than it can by identifying itself with one school. It does not accept responsibility for the views expressed in any article, signed or unsigned, which appears in its pages. What it does accept is the responsibility for giving them a chance to appear there.*The Editors.

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Warren Christopher

CEASEFIRE BETWEEN THE BRANCHES: A COMPACT IN FOREIGN AFFAIRS

Those who serve in government, especially when under attack, are likely to be conscious—somewhat defensively perhaps—of the spirit of the old Spanish proverb: "It is not the same to talk of bulls, as to be in the bullring." The memory of that sentiment has had some bearing on my observations from the safe distance of private life. It has commended a focus on institutional problems—those that transcend partisanship.

One such issue deserves special, constant attention. It is the distribution within our government of authority for foreign affairs.

The country has already struggled at length with this issue. The ordeals of Vietnam and Watergate exposed grave perils to our constitutional structure—an accumulation of vast power in the President's hands, and room for enormous abuse. Congress responded by passing a great deal of legislation, and some might think the issue settled.

I think otherwise. On the basis of four years in the Department of State, I believe the methods of operation now in place leave us poorly equipped to conduct the kind of foreign policy our country requires in a complex, turbulent, dangerous world. We have not yet resolved the dilemma posed by our need to reconcile the imperative of democracy at home with the demands of leadership in the world.

So it is encouraging that the issue is being reopened. Specifically, two leaders in the Congress, the Chairman of the Senate Armed Services Committee, Senator John Tower, and the Chairman of the Senate Foreign Relations Committee, Senator Charles Percy—writing respectively in *Foreign Affairs* and *Foreign Policy*—have

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raised questions about the existing equation.[1]

As it happens, both Senator Percy and Senator Tower belong to the same party as the President. While they achieved a significant degree of impartiality, the truth is that we have not yet been able to exclude political considerations from these discussions. As a wise man once said, "Where you stand often depends on where you sit."

Thus, it would be quite ordinary for a Democrat to have advocated a stronger presidency for Mr. Carter, while now endorsing greater restraints upon President Reagan. After all, President Carter needed enough power to do what was "right"; President Reagan, on the other hand, needs to be kept from "mistakes."

But as Americans as well as partisans, it is important to think institutionally as well as politically. Perhaps that process will be advanced if people who are no longer in office speak out about how power should be shared. So I propose to downplay, for the moment, my doubts about where President Reagan is leading us, and to concentrate instead on the means by which our course is set—on what role the Executive, the Congress and the courts should play to preserve a rational system of balances and checks among the three branches.

I do this in these pages less to declare conclusions than to invite further discussion—to share some experiences and thoughts on the distribution of power in foreign affairs, and to suggest that all who have been concerned with the issue should now devote additional, careful attention to it.[2]

Before turning to some thoughts for the future, it is worth looking at the way the courts and the Congress have recently related to the Executive on international matters.

II

As to the courts, Alexis de Tocqueville once said that, "Scarcely any political question arises in the United States that is not resolved, sooner or later, into a judicial question." That was true of the major issues of presidential power faced in the four years of the Carter Administration. It is quite stunning that five significant

[1] John G. Tower, "Congress Versus the President: The Formulation and Implementation of American Foreign Policy," *Foreign Affairs*, Winter 1981/82; and Charles H. Percy, "The Partisan Gap," *Foreign Policy*, Winter 1981/82.

[2] The distinct perspectives of the Executive and the Congress have been amplified in a number of important articles including Lee H. Hamilton and Michael H. Van Dusen, "Making the Separation of Powers Work," *Foreign Affairs*, Fall 1978; Douglas J. Bennet, Jr., "Congress in Foreign Policy: Who Needs It?" *Foreign Affairs*, Fall 1978; Lloyd N. Cutler, "To Form a Government," *Foreign Affairs*, Fall 1980; and Charles McC. Mathias, Jr., "Ethnic Groups and Foreign Policy," *Foreign Affairs*, Summer 1981.

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foreign policy decisions of that period were challenged in the courts—and were bought to final decisions within President Carter's term or shortly after it ended. The resolution of those issues brought the basic judicial doctrines on foreign affairs authority into sharp focus.

In the early part of his Administration, President Carter spent a great deal of his political capital—which, given his narrow electoral margin, was already in short supply—on gaining approval of the two Panama Canal Treaties and of legislation to carry them out. Indeed, Clark Clifford, perhaps our most sophisticated observer of presidential power, thought he spent too much. The constitutional requirement for ratifying treaties—two-thirds of those present, or as many as 67 out of 100 Senators—is a difficult standard, and the Administration had to struggle for almost every vote. In all, some 21 reservations, conditions or amendments were affixed to the Treaties before they were approved.

Among other things, the ratification struggle required negotiation, with the active involvement of the Senate leadership, of the so-called DeConcini condition, named for the Senator from Arizona. That condition gave the United States the right to take in Panama whatever steps it deemed necessary to reopen the Canal if it were closed. The DeConcini condition inflamed Panamanian nationalism, and it was necessary to work out additional language in the second Treaty providing that the rights reserved to the United States did not allow intervention in Panama's internal affairs.

But even after the Treaties were ratified, the battle was not over. Sixty members of the House of Representatives filed suit challenging the constitutionality of the transfer of the Canal. The Congressmen based their argument on Article IV, Section 3, clause 2 of the Constitution which provides that the Congress "shall have Power to dispose of . . . Territory or other Property belonging to the United States." They contended that this clause proscribes dispositions of U.S. property by self-executing treaties, which are ratified by the Senate only. Rather, they said the action of both Houses of Congress is required.

In upholding the transfer, the Court of Appeals for the District of Columbia Circuit distinguished the property clause from those provisions of the Constitution which are by their terms exclusive, such as the grant to Congress of the power to appropriate funds.[3] The court concluded that in the international setting, the

[3] *Edwards v. Carter*, 580 F.2d 1055 (D.C. Cir. 1978) *cert. denied*, 436 U.S. 907 (1978).

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treaty power is another constitutionally permissible means of transferring property owned by the United States to other countries. The Supreme Court declined to hear the case.

President Carter's decision in December 1978 to downgrade our relations with Taiwan and recognize the People's Republic of China provided another significant test of presidential power. The President's termination of the Mutual Defense Treaty with Taiwan was challenged on constitutional grounds by Senator Barry Goldwater and others. Their lawsuit contended that since a treaty cannot go into force without the consent of the Senate, the termination of a treaty should also require either the same two-thirds majority of senators present, or else the concurrence of majorities in both the House and the Senate.

The U.S. District Court for the District of Columbia agreed with the Senators,[4] but their theory fared badly on appeal. The Court of Appeals for the District of Columbia Circuit held that President Carter acted within his powers. Though citing a variety of factors in its decision, the court relied heavily on the fact that the treaty itself contained a termination clause, which was without conditions or designation as to who could exercise it. The court said the "President's authority as Chief Executive is at its zenith when the Senate has consented to a treaty that expressly provides for termination on one year's notice."[5]

This "on-the-merits" analysis was rendered unnecessary by the Supreme Court, which ordered that the original complaint be dismissed.[6] Four Supreme Court Justices concluded that the case presented a "non-justiciable" political question and a fifth concluded that the case was not "ripe" for review because Congress had not formally challenged the President's action. A sixth Justice concurred in the result, and a seventh dissented from the view that the issue was non-justiciable, agreeing with the Court of Appeals that the President clearly had power to act.

A third court test of presidential power raised the issue of distinguishing between treaties, which require Senate approval for ratification, and executive agreements, which do not. The challenge was to President Carter's 1977 decision to return to the people of Hungary the "Holy Crown of St. Stephen." The crown had been given to Stephen by Pope Sylvester in 1000 A.D., when Hungary became a state in the international system of Europe; thus, it had great symbolic importance to the people of Hungary.

[4] *Goldwater v. Carter*, 481 F. Supp. 949 (1979).
[5] *Goldwater v. Carter*, 617 F.2d 697, 708 (D.C. Cir. 1979).
[6] *Goldwater v. Carter*, 444 U.S. 996 (1979).

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In 1945, lest it fall into other hands, the Hungarian Commander of the Crown Guards entrusted the crown to the United States for safekeeping. President Carter's decision to return it prompted opposition from a number of Hungarian nationals and a lawsuit by Senator Robert Dole, who contended that the agreement was either a modification of an old treaty, or else a new treaty, and therefore required approval by two-thirds of the Senate.

In rejecting Senator Dole's action, the District Court for Kansas concluded that this particular transaction "has the indicia of an Executive Agreement."[7] On appeal, however, the Court of Appeals for the Tenth Circuit, relying on *Baker v. Carr*, the landmark case on "political questions," held that the controversy was of a political character not susceptible to judicial handling.[8] It said the court had "no way of ascertaining the interests of the United States, or of its people, in the controversy." The Supreme Court did not hear the case.

A fourth case involved the Iran hostage settlement agreements, the Declarations of Algiers, and the disposition of billions of dollars in Iranian assets which had been frozen by President Carter in November of 1979, after the American Embassy in Tehran and the Embassy's personnel were seized. The hostage settlement provided that a portion of those assets would be returned to Iran, and that the underlying claims asserted against those assets would be settled by an Iran-U.S. Claims Tribunal, out of a replenishable security fund provided by Iran for that purpose.

In formulating the hostage agreements, the U.S. negotiators had been very conscious of the limits of presidential power. Yet the negotiating situation and the time constraints seemed to rule out action by the Congress. Therefore, it was vital to cast the agreements in a way that would permit action by the President alone. But a company that had perfected a claim against Iran subsequently challenged the President's action, claiming it exceeded his powers.

The President was upheld unanimously by the Supreme Court.[9] The central questions were whether the President could, on his own, nullify attachments, order the transfer of Iranian assets, and suspend the enforceability of claims against Iran in U.S. courts. While the Court found specific statutory authorization for the

[7] *Dole v. Carter*, 444 F. Supp. 1065, 1070 (1977).
[8] *Dole v. Carter*, 569 F.2d 1109 (10th Cir. 1977). See *Baker v. Carr*, 369 U.S. 186 (1962).
[9] *Dames & Moore v. Regan*, 453 U.S. 654, 680, 688 (1981).

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President's treatment of the assets, it found none for the suspension of claims in U.S. courts. Nevertheless, it said that the statutes indicated Congressional acceptance of wide leeway for the President to settle claims against foreign countries. It was crucial that "Congress has implicitly approved the practice of claim settlement by executive agreement" by, among other things, adopting the International Claims Settlement Act of 1949 to allocate and distribute funds resulting from such settlements. This was part of a long history of Congressional acquiescence in such settlements without the advice or consent of the Senate.

It also was important that the hostage settlement agreement provided an alternative channel, the Iran-U.S. Claims Tribunal, for settling the claims. And, significantly, the Court noted that the settlement was "a necessary incident to the resolution of a major foreign policy dispute between our country and another."

The fifth case involved Philip Agee, a former employee of the Central Intelligence Agency. It is widely known that members of the CIA operate abroad "under cover." Mr. Agee adopted the practice of publishing the names of Americans abroad who, he said, are employees of the CIA. Every person so identified became a candidate for expulsion and sometimes a target for assassination. After much deliberation Secretary of State Cyrus Vance revoked Agee's passport, and Agee challenged his power to do so.

Agee contended, first, that the regulation under which his passport was revoked exceeded the power delegated by the Congress in the Passport Act of 1926. He also maintained that the revocation of his passport impinged upon his constitutional rights, in particular his Fifth Amendment due process right and right to travel and his First Amendment right of free speech.

In 1980 the lower courts agreed with Agee's contention; in 1981, however, the Supreme Court reversed.[10] It noted a long history of Executive discretion in granting, withholding or revoking passports, and relied on subsequent Congressional enactments in the passport area as evidence that Congress had approved regulations asserting authority to withhold passports on national security or foreign policy grounds. On the constitutional claims, the Court held that the right to hold a passport—involving "the freedom" of international travel as opposed to the different "right" to travel domestically—is subordinate to national security and foreign policy considerations and thus subject to reasonable governmental regulation. And the Court held that Agee's campaign against the

[10] See *Agee v. Vance*, 483 F. Supp. 729 (1980), affirmed in *Agee v. Muskie*, 629 F.2d 80 (1980); reversed in *Agee v. Haig*, 453 U.S. 280 (1981).

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CIA involved not only speech, but also conduct, which is not afforded First Amendment protection.

In all five of these cases, the validity of an action of the Executive Branch in a foreign policy matter was challenged. And in each case, the challenge was rejected by the courts. While the judicial reasoning differed from case to case, the outcome in all instances was to let the President have his way.

It is evident that cases involving foreign affairs raise, in the words of Justice Rehnquist in the hostage settlement case, searching questions about "the manner in which our Republic is to be governed." They remind us that we have a government characterized by what Alexander Hamilton called "vibrations of power." The cases came to the courts for decision precisely because the distribution of authority in our government is not exactly defined.

The results reflect the tradition of judicial deference to Executive action in the field of foreign affairs. As Chief Justice Burger said in the *Agee* case, "Matters intimately related to foreign policy and national security are rarely proper subjects for judicial intervention." When a foreign policy action is challenged, courts exhibit an almost instinctive wariness. They readily question the "standing" of the parties, resort to the "political question" or "ripeness" doctrines, or search for an indication of Congressional authorization.

Courts may be particularly hesitant to intervene where, as in three of the cases mentioned, the suits are commenced by individual Congressmen or small groups of members, rather than by Congress as a whole. In such circumstances, judges may feel that the lawsuits reflect the failure of those bringing the actions to sustain their viewpoint in the Congress.

On foreign policy matters, the deference of the courts to the President is, I think, healthy. We should expect, and welcome, somewhat closer judicial scrutiny of the other branches when, as in the Agee case, First Amendment issues are involved. But as a general proposition, the judicial system is not well suited for a major role in the foreign policy realm.

However, looking at the relationship between the President and the courts scarcely begins the analysis. It is revealing that all of the five court cases involved the allocation of power between the President and the Congress. And that is where the real fight has been.

III

Advocates of Congressional predominance on the one hand,

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and of Executive preeminence on the other, generally have found the Constitution to be clear and unambiguous on the issue. Each side has found the Constitution unmistakably in favor of its own view.

Congress, after all, has the authority under Article I, Section 8, of the Constitution to declare war, raise and support armies, and provide and maintain a Navy, as well as having the ultimate power of the purse under Article I, Section 7.

But, on the other hand, Article II, Section 2, denominates the President Commander-in-Chief of all the armed forces. And only the Executive can negotiate with foreign countries—even if the Senate must "advise and consent" when formal treaties are reached.

The reality, in fact, is much like Ambrose Bierce's definition of politics—"a strife of interest masquerading as a contest of principles." For the Constitution is, in fact, ambiguous. Reference to the text—even to the framers' descriptions—cannot fully settle the matter. The framers left a great deal of room for their successors to adopt methods and apply values of their own.

Therefore what we really face is not a quarrel about what the Constitution means, but about what, within a broad constitutional framework, our national interest requires. We cannot simply interpret; we have to think. And we have to respond to experience.

For most of our history those processes—together with healthy dollops of inertia and accident—led to a steady accumulation of power in the President's hands. Prior to World War II, for example, the major Congressional interventions in foreign policy—the repudiation of the Treaty of Versailles, and the neutrality laws—raised lasting concern about Congressional competence in this realm. With some prominent exceptions, members of Congress tended to think parochially; they found it hard to think globally.

Then after the war, the mantle of global leadership descended on us, and under unprecedented international conditions. Now we teetered perpetually on the edge of crisis. Our new role clearly required more international activity than Congress could closely supervise, clearer articulation than hundreds of separate voices could provide, more coherence than hundreds of independent thinkers could muster. Quick decisions and prompt policy adjustments often were required—hardly the specialties of deliberative bodies such as the Congress.

We also saw that we faced adversaries with unitary systems, apparently unfettered by any need to consult or concur. The Soviets, it seemed, could move quickly, ruthlessly, and in secret.

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At home, Congressional involvement risked delay, uncertainty and leaks.

Thus formed our dilemma. Many asked whether we could any longer afford to have the Congress, or the public, fully informed and routinely involved in national security decisions. The deeply disturbing implication of that perspective, however, was that it impinged upon our system itself. For neither absolute secrecy nor unfettered Executive supremacy, in any area, is consistent with democratic ideals.

Nor, we soon discovered, do they necessarily produce good policy. We uncovered that particular reality in the jungles of Vietnam—in a long, costly, divisive, frustrating conflict that led to an abrupt reversal of the historic trend toward Executive power. As the war dragged on, members of Congress felt themselves to be deceived on central issues—such consequential matters as the Gulf of Tonkin Resolution, presidential intentions to escalate, the estimated cost of the war and taxes to pay them, bombing in Cambodia and Laos, enemy troop strengths and body counts, the dependability of our South Vietnamese ally, and our chances for success.

The division between the Executive and the Congress was worsened by the fact that the war effort was commanded by two Presidents who were uncommonly given to secrecy, jealous of their power, and impatient with dissent. Perhaps largely as a result of these aspects of presidential character, even many members of Congress who supported the war also simultaneously supported broad steps to curb the President's power.

Finally, the rivalry gained intensity as a consequence of expansive constitutional premises originating in the Executive Branch—the Johnson Administration's notion of a shrunken world, giving the President the right to order troops into battle literally anywhere without looking to Capitol Hill; and President Nixon's theory that the President, as "Commander-in-Chief," could continue an existing war indefinitely, and even extend it geographically, so long as the purpose was to protect troops already engaged.

It was in response to such trends that the Congress moved forcefully in the 1970s to reassert its prerogatives and reclaim its power. Specific steps included a right to veto arms sales above a certain size; country-specific prohibitions on aid; limitations on CIA operations abroad; a requirement that executive agreements with other countries be fully reported on Capitol Hill; and the War Powers Resolution of 1973, under which, among other things, Congress must be informed within 48 hours when U.S. troops are

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sent into hostile situations, and the President must then gain Congressional approval within 60 days or else withdraw the troops.

Along with all the new procedures and prohibitions, Vietnam and related abuses left behind a new ethic on Capitol Hill. The Executive, it says, is not to be trusted. Deference is outdated. In the new ethic, the Congressional role must be one not simply of oversight or advice or basic design, but of active engagement at every stage.

Thus major arms transactions—such as those in the Middle East—routinely are fought out on Capitol Hill. The Congressional veto, reversing the traditional roles of Congress and the President, is imposed with greater frequency. Policy and plans in troubled areas are constantly ventilated, and our involvement is probed, publicized and pared down by Congressional resolutions. Major treaties—such as the Panama Canal Treaties and SALT II—are not only analyzed and debated, but renegotiated in the Senate.

Adverse consequences litter the foreign policy landscape. For example, when treaties are negotiated, what confidence can the other side have that compromises it makes will not be reopened in the Senate, and further demands made? Some would say the logical next step is for our negotiating partners to hold back some concessions in negotiations with the Executive, so they have something to trade away in negotiations with the Senate.

In granting aid, to take another example, Congress often delays so long and then imposes so many restrictions as to assure that its objectives will be unachievable and its fears self-fulfilling. In the case of Nicaragua in 1979, when there was still a chance that we could influence the direction of the Sandinista government, it took months to gain authority from the Congress for a modest aid program, and even then it was hedged with debilitating conditions. Educators, medical personnel and others from Cuba, meanwhile, were on the scene within hours.

My concern is that a great nation simply may not be able to operate in the way we have and still advance its interests successfully in a complex, disorderly, dangerous world.

IV

Based upon these general observations, I have been drawn to the conclusion that we would be well-served by a new "compact" between the Executive and the Congress on foreign policy decision-making, based on mutually reinforcing commitments and mutually accepted restraints.

The premise of such a compact would be that the separate

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branches have differing characteristics, and thus distinct capacities. And the compact's purpose would be to have each branch respect and defer to the unique capabilities of the other, so that instead of magnifying the weaknesses of each, we would embrace the strength of the whole. The arrangement would recognize that the Presidency and the Congress were not designed to mirror each other, or to compete over the same functions, but to complement each other, each bringing unique qualities to bear on the decisions they were expected to share.

The compact would embrace a number of principles.

First, it would affirm the President's basic authority to articulate and manage our foreign policy.

As a fundamental precept, the compact would call for restraint on the part of the Congress—for Congress to recognize and accept the responsibility of the Executive to conduct and manage foreign policy on a daily basis. To other nations, it is exasperating and at times even incomprehensible that our system permits, even encourages, contests over the President's power to manage in the foreign sphere. Even when such challenges are ultimately defeated, they risk misunderstandings here and abroad about the dependability of actions by the United States. Our reputation for reliability is squarely at stake.

The growing complexity of the global agenda makes it increasingly important that the Executive have the authority to make and implement a coherent foreign policy. The simple truth is that if the Executive is immobilized in rancorous debate and struggles over power, that circumstance comforts our adversaries, confuses our friends, and cripples our country.

Vietnam and Watergate demonstrated that the Executive can act imprudently and dangerously, and can overreach its authority. However, those episodes did not, in the process, obviate the inherent limitations on the capacity of the Congress for the day-to-day management of foreign policy. The limited time members of Congress can devote, the influence of short-term political pressures, the delays associated with collective decisions, the multiplicity of voices and purposes—all of these factors do still exist on Capitol Hill. So the answer to presidential error and abuse is to straighten out the Executive, not to substitute the Congress.

What is needed most of all is a new operative attitude on Capitol Hill. It is essential that Congress recognize that while full information and consultation are essential and broad policy should be jointly designed, attempts to dictate or overturn Executive decisions and actions are extraordinary and costly remedies. They should be employed rarely, in extreme circumstances, and

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not routinely—for they have consequences far beyond the immediate issue at hand.

In carrying out its part of the compact, the Congress might also move to consolidate its foreign policy jurisdictions. Secretary Vance and I estimated that we spent at least 25 percent of our time testifying, preparing to testify, or otherwise engaged in relations with Congress. Perhaps that could be scaled back—not to withhold information, but to limit the number of times it has to be retold before various committees and subcommittees in each House.

In this context, it is pertinent to note another source of controversy on foreign policy decision-making: that is, the recurrent struggles within the Executive Branch between the State Department and the National Security Adviser. (This controversy spills over into the Executive-Legislative struggle because the National Security Adviser is not confirmed by the Senate and, as a personal assistant to the President, cannot be called to testify on Capitol Hill.)

In my view, the Secretary of State and the National Security Adviser play vital but markedly different roles, which should be complementary and not competitive. The Secretary of State should be the architect of our foreign policy and sole authoritative spokesman other than the President. The National Security Adviser should play an inside role, coordinating the many Cabinet agencies which are involved in foreign affairs decisions, obtaining prompt resolution of conflicts between the agencies, and insuring effective follow-through on decisions once they are made by the President. He should be able to offer his substantive advice privately to the President, but the Secretary of State should be kept informed of the advice the President is getting. The National Security Adviser should shun public attention, eschewing television appearances, press briefings and diplomatic missions abroad.

Second, the compact would require that the Executive cooperate fully with the Congress and assist it in fulfilling its legitimate role.

In practice, the foreign policy compact should reflect the distinct functions of the branches. The Congress, through the authorization and appropriations process, has and must retain a role in setting the basic direction of policy, and in apportioning funds among various international functions and different capabilities.

Moreover, the Congress often is more able than the Executive to sense and reflect changes in popular thinking, and to identify both the congruities and the disparities between directions in national policy and trends in public opinion.

Congress can be an effective forum for testing ideas. Through

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hearings, as well as through the mails, it is a route of access for the public to the government. And since it is broadly and continuously representative of the nation as a whole, the Congress is ideally situated to help design the broad outlines of foreign and security policies that will be able to sustain public support.

These functions are distinct, it seems to me, from the Executive's responsibility to manage. Under the compact I envision, along with his managerial function, the President would be obliged to cooperate fully with the legitimate functions of the Congress. As part of that, the Executive would also recognize its vital responsibility to assure that Executive actions comport with the laws Congress enacts.

That is only common sense in any case. As we have seen, a distrustful Congress has ample weaponry in any conflict between the branches—the power to withhold funds, to circumscribe Executive discretion, to hold harassing hearings, to reject or rewrite treaties or to deny confirmations, and in various other ways to undercut the Executive's authority.[11] Therefore, out of self-interest, the President should be sensitive not only to what the Constitution permits, but to what comity requires. It is in the interest of both branches to avoid the use of blunt instruments.

The obligation of comity holds especially for sharing information and for consultation, so that Congress can share in the broad design of policy and oversee its execution. There are cases, of course, where Executive privilege is appropriate, and where sensitive information must be closely guarded. But they should be understood as rare exceptions to the rule. In my own experiences, I recall very few instances in which the added risk of a leak on Capitol Hill outweighed the potential damage that excessive secrecy would cause. During the 444 days the hostages were held, I provided periodic secret briefings on Iran and Afghanistan to the Senate and House leadership–sometimes daily, usually twice a week—and there was never a significant violation of the confidential relationship that was established.

The President's responsibilities for scrupulous adherence to the law are heightened, not lessened, by judicial deference in foreign policy. Irrespective of the courts, it is the President's duty, under Article II, to "take care that the laws be faithfully executed." It is

[11] For example, in 1975, given Soviet support for one faction in Angola, there was a strong Executive Branch impulse to intervene in that former Portuguese colony in Africa. With memories of Vietnam still so fresh, however, there was not much prospect that Congress would approve. To bypass that obstacle, a major covert operation was planned. The sequel was a flat Congressional ban on any involvement in Angola—and more impetus for strict limits on, and broad Congressional review of, covert operations anywhere in the world.

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also worth remembering that, while the courts have established doctrines which permit deference in foreign affairs, those same doctrines are flexible enough to permit judicial interventions if the Executive overreaches. The President owes an obligation to the institution of the presidency, and to the country, to build and preserve the kind of trust and common purpose that will permit the Executive to function—to lessen the rationale for the other branches to intervene through legislation or lawsuits.

El Salvador provides a current example. As a rule I am highly skeptical of country-specific restrictions on aid—even for the best of purposes. They cannot account for changed circumstances, and in a world where events happen with breathtaking speed, that may be a disqualifying flaw.

But doubts about such restrictions do not justify the Executive in being less than faithful to what a country-specific law requires—as was the case when President Reagan certified human rights progress in El Salvador which, by all other accounts, simply had not taken place. Our Ambassador to El Salvador, Deane Hinton, a career diplomat, reportedly told an audience of businessmen in El Salvador in February that the certification requirement was "tonto," which translates as "foolish" or "stupid." *The New York Times* report on that remark then quoted an unidentified embassy official as confirming that the presidential certification was not exactly true—that the certification requirement "forces the President to overstate things in order to get the aid that must be sent. What choice did we have?"[12]

At least two other choices suggest themselves—either to observe the law, or to seek to have it changed. For a questionable certification strains credibility, mocks the Congress, and invites a return to disabling war between the branches. It violates the foreign policy compact I believe is so vital.

Along with the functional approach discussed above, the depth of Congressional involvement and the intensity of its oversight might also be varied depending upon the nature and the gravity of the issue. At the most fundamental level, a government makes no more fateful decision than the decision to go to war. The President should want to share that decision with the Congress. When the President and the Congress stand together, the nation's commitment is clear.

On the other hand, steps short of war ought to require less collaboration and permit more Executive discretion. To be sure,

[12] *The New York Times*, February 26, 1982, p. A6.

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a decision to provide arms to a country could lead, as in Vietnam, to a combat involvement. But it is not inevitably the same thing. Military aid or sales and other steps short of combat can be considered on their own terms—managed by the President, within general policy guidelines jointly designed. Indeed, after Vietnam, both the Executive and the Congress are probably more inclined to treat our security relationships not as slippery slopes, but rather as staircases, with delineated landings from which we must choose, deliberately, either to deepen or lessen our involvements.

Third, the compact should be accompanied by a renewed spirit of bipartisanship in foreign affairs.

Over the last three decades we have seen a steady and dangerous erosion of the bipartisanship of the period immediately after World War II. More and more, Democrats may be tempted to find satisfaction in a Republican foreign policy going awry, or vice versa. Yet the "outs" bear the practical consequences, if not the political ones, along with everyone else.

Unbridled partisanship is unwise under any circumstances; it is especially risky when, as now, one party controls the White House and another controls at least one House of the Congress. This has been recognized as an element in the potential "deadlock of democracy."

The immediate post-World War II period was a high point for bipartisanship. The formulation of the earlier era, "Politics stops at the water's edge," may sound utopian now, and certainly we cannot exclude foreign policy from our political debates. We can, however, temper them with a recognition that in this arena careless words or obstructionist tactics can have widespread repercussions. As Senator Percy has said, "despite the obstacles to strengthening bipartisanship, it must be achieved if the United States is to maintain a leadership role in the world."[13]

Fourth, the compact should recognize the essential role of sufficient resources in an effective foreign policy.

No matter how free the Executive hand to manage foreign policy, the compact will be disserved, and our diplomacy will be hamstrung, if the necessary funds are denied. Over the past 20 years, for example, while our stake in orderly worldwide economic development has grown, our expenditures for foreign assistance have been cut roughly in half in real terms. The urgency of this problem is manifest in the fact that in fiscal 1980 and 1981 no foreign aid appropriations at all were passed. Continuing resolu-

[13] Percy, *op. cit.*, p. 45.

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tions, at frozen and inadequate funding levels, had to be used instead.

Diplomatically, meanwhile, we deal with 53 more countries than we did in 1960, and we work on more and harder issues—but with fewer professional diplomats than we had in 1960. We currently budget, for our entire diplomatic establishment, less than one percent of what we spend on defense. Yet our security depends increasingly upon our diplomacy, as well as upon our capacity to employ force.

Our diplomacy would be further disabled by the current effort to slash the educational exchange programs that have fostered so much understanding of our country among national leaders, journalists, educators and others in foreign lands. In my own experience in diplomacy, I recall many times being impressed by the depth of a foreign counterpart's grasp, if not necessarily acceptance, of the U.S. position, only to learn that he or she had participated in one of our exchange programs.

When we shortchange our diplomatic programs we undercut our foreign policy every bit as effectively as binding the President up in a procedural straitjacket. We increase the probability that instead of celebrating successes in foreign affairs, we will have to keep assigning blame for the failures. And a big share of the blame lies in expecting a global, great-power foreign policy for a third-rate price.

Fifth, as we proceed with the compact, we must nevertheless be realistic enough to recognize that even if we can reach a more effective and agreeable arrangement, we will not match the alleged efficiency of undemocratic regimes.

We should not try. Rather, we should celebrate our democratic traditions, and resolve to make them work better.

The fact that we make many of our national decisions by voting, by the choices of our people and their elected representatives, unquestionably does leave us at some disadvantage in facing adversaries ruled by decree. Democracy can be cumbersome. It can mean delay, and there can be discontinuity when the people change their leaders.

Though we can adjust our system to make it work more smoothly, some inefficiencies are plainly inherent. But they are also important. For they guarantee to our own people and exemplify to the world our commitment to the ideals which are the aspiration of most of the world's people—in particular, the ideal that the people should share in decisions affecting their lives.

Despite its random elements, our system was not randomly

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designed. The tensions among the branches were quite deliberately incorporated, in large measure to protect the people and safeguard popular rule. The discretion, the tensions, the "vibrations," are the hallmarks of a system of government that could endure, evolve and thrive for almost two centuries.

V

The best time to bring such a compact into operation would be the commencement of a new Administration after a national election, or perhaps after a Congressional election. The sense of unity and national purpose which usually marks such periods would provide the best environment for seeking the mutually reinforcing commitments and mutually accepted restraints described above. The forum for confirming such undertakings could be a meeting between a broad range of Congressional leaders and the President and key national security officials, perhaps somewhat comparable in composition to the day-long meeting held by President-elect Carter at the Smithsonian Institution in December 1976. Thereafter, a small group (perhaps the Secretary of State and bipartisan leaders from both Houses) could be charged with monitoring observance of the compact and identifying potential violations.

If the general concept of the compact is thought to have merit, it could usefully be ventilated by a special hearing of the Senate Foreign Relations Committee or the House Foreign Affairs Committee. Or one of the many institutes dedicated to foreign affairs might draw together a group of scholars and public officials to probe its premises and discuss implementation.

Whatever the next step, I believe such a new compact is needed, not to rearrange our system, but to refine it slightly, so that the framers' ingenious plan may continue to both embrace democracy and effectively defend it.

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Leigh S. Ratiner

THE LAW OF THE SEA: A CROSSROADS FOR AMERICAN FOREIGN POLICY

On April 30, the United States was the only Western industrialized country to vote against the final treaty adopted in New York by the Third United Nations Law of the Sea Conference. Venezuela, Turkey and Israel also voted no. The U.S.S.R. and most Soviet bloc countries abstained, as did a few highly industrialized Western nations. Most of the West, including France and Japan, joined the Third World and voted yes. Altogether, 130 nations voted to adopt the treaty and open it for signature.

The final treaty falls short of the goals sought by the Reagan Administration. It establishes a mixed economic system for the regulation and production of deep seabed minerals and, as a matter of principle, the Reagan Administration could not, consistent with its free enterprise philosophy, have done otherwise when the time came to vote.

Unfortunately, our strong and uncompromising defense of principle may have cost us a golden opportunity to convert the treaty into a better vehicle for commercial operators.

But that loss could be minor when compared with the prospect that the United States might now decide to exclude itself from a new global regulatory organization which may—sooner rather than later—count among its members all of our allies, the Third World and the socialist bloc. This new institution will safeguard the mining claims of our industrial competitors and reject rights claimed by American flag companies.

Moreover, if the United States stays out of the sea law treaty, and most major nations join it, we risk conflict over American assertions that we are entitled, without participating in the treaty, to rights embodied in the treaty related to navigational freedoms, exclusive economic zones, jurisdiction over our continental shelf,

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fisheries, pollution control and the conduct of marine scientific research.

Should all this come to pass—and it seems likely it will—we will suffer a significant, long-term foreign policy setback with grave implications for U.S. influence in global economic and political affairs.

II

The Law of the Sea Treaty has been under negotiation since 1966, when the United States and the U.S.S.R. agreed to consult all nations on the question of whether they would agree to a new global conference on the law of the sea. As initially envisaged, the aim of the conference would have been to fix the limit of the territorial sea at 12 miles and to provide for freedom of navigation through and over international straits which might be overlapped by the new 12-mile limit.

In 1968 the United Nations began to expand the as yet unwritten agenda of the Conference to include the issue of deep seabed mining in areas beyond national jurisdiction. By the time the Law of the Sea Conference was formally created in 1973, its agenda included essentially all uses of the oceans. Between 1973 and 1980 over 150 countries including the United States agreed on treaty texts on all but four points: boundary delimitation, which was settled in the summer of 1981; participation in the treaty by entities which are not sovereign states; the composition and functions of the Preparatory Commission to set up the International Seabed Authority; and provisions for the protection of investment in deep seabed mining activities prior to entry into force of the treaty. After ten sessions of the Conference and 14 years of negotiating effort, the new Administration in Washington sought in the final Conference session this spring to renegotiate essential elements of a package that already commanded widespread support and near consensus.

How did this come about? In March 1981, the new Reagan Administration began a much-needed, soul-searching review of the draft convention on the law of the sea. It was clear that notwithstanding the treaty's many potential benefits, its deep seabed mining provisions were anathema to some elements of the Reagan Administration; moreover, the treaty was considered unratifiable in the Senate. The U.S. policy review lasted more than a year.

The policy review process, like many conducted through interagency groups regardless of which Administration may be in

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power, was essentially an adversarial process in which initially all documents were prepared for the purpose of reaching preconceived objectives and prejudicing an ultimate decision. Pressure from the White House to reach consensus was intense and this produced even further, and in some cases devastating, compromise formulations describing fundamental issues in dispute. (As a result, at least one crucial point was destined to be ignored in the final decision-making process because of its obscurity, obfuscation and ambiguity.) Every effort was made by the Assistant Secretary of State who was in charge of this review to conduct a neutral and balanced process. The fact that he failed in this mission is not a reflection on his capabilities but rather on the interminable capacity of bureaucrats familiar with the intricate detail and complexity of the treaty to spend enormous amounts of time in meetings which precluded the active participation of any responsible Assistant Secretary of State.

There were two general points of view which emerged in the review process. The first was advocated by the Deputy Assistant Secretary of State for Ocean and Fisheries Affairs, the most senior official responsible for the day-to-day conduct of the review. In essence, this point of view held that the treaty was flawed because it created adverse precedents for other negotiations on economic issues between developed and developing nations—the North-South dialogue—subjugated American industry to an international regulatory and management system, and was incompatible with President Reagan's apparent desire to return the United States to a period of power and influence in world affairs in which its policies would simply be enunciated rather than sold to others through a process of diplomacy and negotiation. I think it is also fair to say that proponents of this view did not believe that it was possible for any American to participate actively in the negotiation of this treaty without being seduced by it; therefore, they saw great risks in any return to the bargaining table even for the purpose of making a best effort. These views were strongly supported by staff on the domestic side of the White House, the Interior Department and some civilians in the defense establishment as well as some members of Congress.

The opposite point of view was represented by other agencies and participants in the process and by this author, who at the time was serving as a contract adviser to the Assistant Secretary of State, James L. Malone. That point of view can best be summarized as a recognition that the treaty in its present form was unratifiable, accompanied by a belief that the treaty could be

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renegotiated and that significant improvements could be made to it. From the perspective of those who held this point of view, there seemed no harm in trying to improve the treaty in fundamental ways, because ultimately a good treaty which provided universal recognition of mining claims as well as universal acceptance of countless other important legal principles contained in the treaty would be a worthwhile goal. Moreover, the proponents of this viewpoint felt that U.S. interests could not be compromised merely by returning to the negotiations, since the President ultimately would have to decide whether the United States should sign the resulting treaty.

Another point was made with respect to resuming negotiations: responsible American negotiators, acting under strict instructions, would not be lured into accepting a treaty which was contrary to the overall national interest. American negotiators at a multilateral conference generally do not operate in a vacuum or in secret. All of their tactical and strategic movements are discussed and debated on a daily basis with the wide array of U.S. interests represented on the U.S. delegation.[1] Opportunities for the loyal opposition to change the direction of the negotiations are legion. Therefore, the risk perceived by some of compromising national interests through an effort to renegotiate did not seem sufficiently realistic to sacrifice the opportunity to improve the treaty.

The latter view prevailed, and the President of the United States decided on January 29, 1982, that the United States would return to the negotiations and would seek six broad objectives. These objectives were then supplemented by detailed instructions, which were not sent to the President for approval but were negotiated among the various agencies of government which had participated in the initial process. Perhaps inevitably, the development of detailed instructions became a surrogate forum for rejoining the original issue which had already been decided by the President. The basic dispute over the instructions was whether to make them so strict and so confining as to produce a situation in which it would be impossible for American negotiators to satisfy them.

The instructions, when finally issued on March 8, long after the preliminary negotiations in New York had begun, reflected an interpretation of the President's objectives which was considerably more constrained than the objectives themselves. It is for this

[1] In addition to government agencies, all of the representatives of the American ocean mining groups were invited to participate fully in the work of the delegation; special efforts were organized to obtain the views of companies not able to be in New York, in advance of the delegation accepting any compromises.

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reason that many delegations at the Conference frequently found it difficult to understand the U.S. negotiating posture, since the President's public statement appeared to a reasonable reader to permit a far more flexible stance by the United States than was actually being presented. Other delegations did not understand that the U.S. delegation was operating under instructions containing a restrictive interpretation of the President's objectives and was under pressure to adhere to those instructions as the sole guidance for interpreting the objectives.

One final point should be made in connection with the policy review process which turned out to be of utmost importance in the end. Since one of the principal U.S. objectives was to secure access to the raw materials of the deep seabed, the question necessarily arose whether there was any alternative to a comprehensive treaty on the law of the sea which would adequately protect claimed mining rights so as to provide a stable basis for major financial commitments in support of deep seabed mining.

The proponents of withdrawal from the Conference argued forcefully that an alternative mini-treaty regime among the genuinely concerned industrialized countries—outside the framework of the comprehensive treaty—would be an adequate basis for investment even if a treaty on the law of the sea were adopted by a very large number of countries and entered into force. Those who favored returning to the bargaining table were divided on this issue. Some felt that under certain conditions a viable alternative mini-treaty regime could be established, but that the United States should nevertheless seek the comprehensive treaty solution. Others felt that an alternative mini-treaty regime would be resisted by our Western allies in the face of a treaty adopted by the vast majority of nations, including virtually all of the developing countries. Moreover, if a comprehensive treaty on the law of the sea entered into force for 100 nations or more, it was felt that ultimately mining companies would choose that regime—which would give the best color of title to their mining claims—rather than a separate mini-treaty regime.

Because views were divided among those who supported returning to the bargaining table, doubts about the realistic prospects for establishing an alternative mini-treaty were not forcefully put forward at the highest levels of government, although the issue appeared in the relevant documents as one on which there was disagreement. Related arguments were presented to support particular points of view. As a result, to the best of my knowledge, no

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authoritative statement was ever made to the President and his close advisers that, if they wished to preserve direct access to strategic raw materials through American flag operations, there could in the end be no viable alternative to an improved comprehensive treaty on the law of the sea.

Accordingly, when a final decision was made and detailed instructions for the delegation were negotiated, there was an assumption in the Administration that if the United States adopted a tough uncompromising stance and as a result lost the opportunity to improve the treaty, it could afford to stay out of the treaty because there was a viable alternative—a separate mini-treaty with our allies. This assumption may have been the Achilles heel of the U.S. strategy for the last session of the Law of the Sea Conference. (Moreover, the strong U.S. public posture to push ahead with mini-treaty negotiations even before the Law of the Sea Conference began in March was a major factor in convincing the developing countries that the United States did not have a serious interest in the comprehensive treaty and thus worsened the chances for successfully negotiating the President's objectives.)

One further comment should be made in connection with the policy review process. The Department of Defense had in previous Administrations been a strong unyielding supporter of the successful conclusion of the treaty. It had always felt that the stability of international law which would accrue from this treaty, which contains many provisions favorable to the mobility of its air and sea forces, was a significant national security benefit when compared with the uncertainty of potential arguments with coastal states which might exist in the absence of this treaty.

During the Reagan Administration, however, two things changed in the Department of Defense. First, there was a much greater emphasis, particularly on the civilian side of the Department, on the importance of American access to strategic raw materials as a national security interest and, second, there was a belief that if the treaty finally entered into force without U.S. participation, most of those provisions which were favorable to the security of the United States would be accepted as customary international law, and that therefore the treaty rights would be available to all states whether or not they became parties to the treaty. In combination, these two views produced significantly less enthusiasm for the treaty within the Defense Department than had been the case before. This shift markedly changed the balance of power in the intragovernmental adversarial process. The as-

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sumption that the treaty provisions would become customary international law was never seriously questioned—it was taken for granted.

III

Out of respect for our power and influence, the world waited for the U.S. decision. The Law of the Sea Conference went into neutral gear, avoiding final adoption of the text which had been virtually completed in 1980 with apparent U.S. agreement. By the time President Reagan announced on January 29 that the United States would return to the negotiating table, U.S. negotiating leverage was substantial.

When the Conference resumed in March, the United States had its golden opportunity. The rest of the world was ready, willing and anxious to reshape important aspects of the treaty to attract U.S. support. Yet at the end, as has already been mentioned, the treaty was adopted over U.S. objections. The Soviet bloc abstention was prompted by a minor point, and the Soviets are likely eventually to sign the treaty. Two of America's closest allies, Japan and France, despite high-level pleas for solidarity, voted in favor—a startling and potentially powerful signal about Japanese postwar foreign policy development. West Germany, Britain and a handful of other Western allies abstained in support of the United States—but may well sign the treaty with or without the United States, for reasons which will be discussed later.

As described above, the United States returned to the bargaining table with instructions to fix every important defect in the seabed mining provisions—in short to convert the treaty into a "frontier mining code" in which the first company to stake a claim owns the resources and is not subjected to regulation or management except for the payment of taxes. This view was combined with a demand for overwhelming voting power for the United States and its closest allies in the proposed International Seabed Authority.

All of the improvements we sought were desirable and important. Some of them were fundamental to making the treaty commercially more workable. But the primary U.S. objective, in fact, was the eradication of ideological impurity. As a result, when the time came for compromise, the United States did not make ideological concessions to the Third World in exchange for pragmatic improvements. The Western allies maintained solidarity with the United States throughout the negotiations. In doing so, our allies, who in varying degrees share our ideological views—

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but not our willingness to sacrifice concrete accomplishments for them—were deterred from negotiating more modest improvements on their own behalf.

Our strong stance on every issue (combined with public posturing in favor of an urgent separate mini-treaty) persuaded the bulk of Conference participants that the U.S. appetite was too great—no improvements were likely to satisfy us that could also be swallowed by the Third World. Many hoped up until the final hours that the United States would moderate its position on other issues, so as to create a fruitful negotiating climate. We did finally, but our concessions were small when measured against our remaining demands. Indeed, even the few concessions we offered brought cries of sellout from some in Congress, the mining industry, and elements of the Executive Branch.

The day-to-day negotiating process was monitored both within the delegation and back in Washington so closely by individuals who had supported the option of withdrawal from the Conference, that any negotiating move made by the American delegation was interpreted as a giant step down the slippery slope to compromise of principle and disaster. One of the individuals who held this view even believed that efforts at compromise which might ultimately fail and cause the United States to stay outside the treaty were in and of themselves dangerous precedents for other global negotiations. This particular individual alerted members of private industry (who also shared this perspective) to all U.S. delegation activities including new or contemplated U.S. proposals. Thus for every effort by the American delegation to find an accommodation that would help satisfy the President's objectives, there was a countereffort launched in Washington by those who had lost the battle to withdraw from the negotiations. These countermoves were executed as personal attacks on members of the American delegation, and as attacks on the process of negotiation itself, and were frequently marked by distortion and falsehood. The American delegation, meanwhile, was engaged in round-the-clock negotiations in New York and could not devote substantial attention to defending and explaining its actions in the face of increasing opposition in Washington which succeeded in obtaining a hearing at very high levels in the White House.

The American delegation was, therefore, held in check and did not make serious compromise proposals on many issues where genuine compromise might have produced far-reaching improvements in the treaty text. I would cite two examples: if the United States had not demanded virtually autocratic ruling powers over the Seabed Authority and had not sought the total elimination of

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the so-called production ceiling (which in real economic terms is a cosmetic provision to reassure existing land producers of seabed metals that their production will not be wiped out by future seabed production), it would have been possible, perhaps easy, to have obtained major improvements in the practical effects of, and the principles contained in, the technology transfer provisions and the provisions which permit amendments to the treaty (after 20 years) without U.S. consent. When the U.S. position did reflect modest relaxation in some of these areas, the negotiators came very close to solutions for these latter two problems.

It should be borne in mind that those who did not want the United States to participate in the Conference may also have had as their underlying tactical objective a desire to ensure that the treaty was not improved, so as to make it more difficult for our Western allies to join the treaty and concomitantly to make it easier when the Conference ended in failure to obtain rapid agreement to an alternate mini-treaty regime.

The developing countries, however, sensed that these dynamics might be in process and virtually demanded an opportunity to negotiate the one issue on which they were prepared to make a concession so significant as to lure our allies into the treaty. Paralyzed by the rigidity of its instructions, the American Delegation had no choice but to play into the hands of the Third World strategy and negotiate the issue which the developing countries insisted be taken up first—the recognition of rights for mining companies who had already made investments in the seabed—"grandfather rights."

This was so because the issue of grandfather rights was considered by the entire Conference to be "outstanding" in that it had never been part of the 1980 package negotiated by Ambassador Elliot Richardson. Moreover, it was an issue on which significant progress could be made, while the issues the United States wished to renegotiate were among the most difficult. The developing countries hoped that if they made meaningful concessions on grandfather rights the U.S. mining industry would be pacified and would reduce its pressure on the U.S. government. In turn, they assumed the United States would reduce its demands.

The negotiations on the issue of grandfather rights resulted in a final Conference Resolution which successfully met some of our fundamental objectives—but more importantly may well have met the most central objective held by our closest allies. Under the Resolution, four existing mining consortia (each of which includes or is controlled by U.S. companies) plus projects sponsored by the governments of Japan, France, the U.S.S.R. and

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India, would have guaranteed automatic access to the strategic raw materials of the seabed for the first generation of seabed mining. Altogether, ten seabed mining entities are entitled to all of the mineral production likely or possible from the seabed for the next 30 to 50 years: metal market projections indicate that demand for manganese, copper, cobalt and nickel from the seabed is unlikely to reach, much less exceed, the production capacity of these grandfathered miners during that period.

Thus—with the notable exceptions of mandatory technology transfer and the procedure for amending the treaty-—the offensive ideological provisions of the treaty would not effectively apply before the middle of the twenty-first century. By that time there would have been a thorough treaty review and an opportunity to renegotiate.

Because the issue of grandfather rights dominated the negotiations, and because the negotiations were up against a deadline of April 30 (a consensus decision accepted by the Reagan Administration in 1981), opportunities to deal with issues other than grandfather rights did not arise until the final ten days of the session. Moreover, the procedure for the final session of the Conference was organized in such a way that between April 13 and April 30 the only amendments to the treaty which would have any chance of inclusion in the final draft would be those put forward by the president of the Conference, Ambassador T.T.B. Koh of Singapore, if he were satisfied that such amendments adequately enhanced the prospects for consensus.

Thus for a little over two weeks the president of the Conference held enormous power over the final treaty text. At the same time, it was his responsibility, and to his credit he took it seriously, to introduce amendments to the treaty only if they enhanced the prospects for consensus. He organized small groups for rapid, effective negotiations on other issues.

However, the atmosphere in this final stage was undoubtedly affected by an important exchange earlier in the Conference. Ambassador Koh had hoped that a set of proposed amendments put forward very early in the negotiations by a group of so-called "good samaritans"[2] would bridge the gap between the developing countries, on the one hand, and the United States and its Western allies on the other. He wanted both sides to accept these proposals—or at least not to reject them—so that at the end of the Conference he would be in a position to propose them for incor-

[2] Canada, Australia, New Zealand, Norway, Sweden, Denmark, Finland, Iceland, The Netherlands, Ireland, Switzerland and Austria.

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poration into the final treaty text. For the United States, these papers moved significantly toward meeting the President's publicly announced objectives, although they fell far short of the American delegation's negotiating instructions. Verbatim acceptance of the good samaritan papers would have produced a treaty which on a fair reading of the President's objectives of January 29 would still have fallen short.

The crucial question was whether the United States was willing to send a strong signal that by and large these papers were on the right track, and with further negotiations and additional amendments might be acceptable. While the United States did not intend to reject these proposals out of hand, it stated its difficulties with these proposals in such strong terms as to lead Conference leaders to conclude that they had been rejected. In the vocabulary of diplomats, strong reservations to a proposal are generally considered to be a rejection. Thus, at a crucial halfway point in the Conference there may have been a tragic failure of communication.

After the United States apparently rejected the good samaritan papers as a basis for negotiations, the remaining weeks of negotiation were carried out by the president of the Conference in a desultory and pessimistic atmosphere, even though time permitted serious negotiation of the main issues of concern to the United States. Although the Group of 77 was maintaining a very tough posture in response to the U.S. stance, the job could have been done. But in an atmosphere where hope and optimism were lacking and U.S. commitment to the negotiation was doubted, it became virtually impossible for the president to pull a rabbit out of a hat.

He did, nevertheless, finally make a number of additional improvements to the treaty as a result of direct negotiations between the Western countries and the developing countries. For example, the United States is guaranteed a seat on the Executive Council of the new global institution, the Seabed Authority (assuming, of course, that the United States joins the treaty). The provisions for amending the seabed mining provisions of the treaty have been improved. The contract approval system for mining entities has less potential for abuse and discretion. The policy orientation of the Seabed Authority is slightly more favorable to mineral production, and the Seabed Authority must adopt rules and regulations for newly discovered seabed minerals once a nation capable of exploiting them makes a request—thus avoiding one of the fatal flaws in the previous draft treaty, a moratorium on these other minerals.

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These achievements were modest, however, and did not rectify fundamental inequities and adverse precedents which the Administration quite properly opposed. Nevertheless, they may be sufficient to make the treaty very attractive to other Western industrialized countries who, while sharing our ideological views, are more interested in assured access to strategic raw materials and influence in global economic decision-making. Under the treaty, they will be guaranteed mineral access for a substantial period into the future and will play a large role in shaping the rules for seabed mining.

IV

Perhaps the greatest irony for the United States is that, as a result of one further change in the last stages of the Conference, the treaty now authorizes, even commands, what the Third World had long vehemently opposed—a mini-treaty among those countries that wish immediately to resolve overlapping mine site claims and obtain global approval for their legal rights. But there is a catch. To obtain global approval, they must sign the treaty.

If nations fail to sign, and instead sign an *alternative* mini-treaty regime, they will provoke global disapproval of the lawfulness of their mining claims. The President of the Conference has vowed to challenge any alternative mini-treaty before the U.N. General Assembly and to seek an opinion of the International Court of Justice. The resulting protracted litigation would have a chilling effect on seabed mineral investment.

For this reason among others, in my judgment Japan, France, West Germany, Britain and most other potential seabed mining nations ultimately will sign the Law of the Sea Treaty and a mini-treaty *among themselves* which will dovetail with the treaty. In any event, our allies will surely make certain that any such mini-treaty preserves their option to sign the Law of the Sea Treaty. They will do so because the Law of the Sea Treaty creates unchallengeable rights, superior to those created by a mini-treaty. Absent U.S. ability to persuade our allies to sign a permanent mini-treaty as an alternative to the treaty, the United States ultimately will be abandoned by its allies, who would be prohibited from recognizing U.S. mine site claims once they have signed the treaty.[3]

This point is crucial, because I believe the U.S. decision not to compromise ideological issues was founded on an assumption that

[3] Article 137, paragraph 3, of the treaty prohibits states from recognizing seabed mining claims which are not derived from the treaty and its rules and regulations. Under customary international law principles of treaty interpretation, a state which signs a treaty is bound not to act incompatibly with it pending its ratification and entry into force.

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after the Conference ended, the Western industrialized countries would ignore the Law of the Sea Treaty and set up an alternate mini-treaty. This approach presumably assumed that a mini-treaty would include all potential seabed mining countries and therefore would provide sufficient legal security to attract the billions of dollars of private capital necessary to set up commercial mining operations. I suspect that if William Safire had understood that this outcome was, at best, improbable and unworkable, he would not have suggested in *The New York Times* on April 9, 1982, that the United States should shelve the treaty negotiations. I believe that if President Reagan understood the realistic prospects for an alternative mini-treaty regime, he too would have had second thoughts about the pursuit of principle over pragmatism.

U.S. policymakers may have also made another assumption which could prove dangerously false: that the United States could stay outside the treaty but claim and enjoy its numerous beneficial provisions (which, among other things, establish rights to the 200-mile economic zone, guarantee to every coastal state broad jurisdiction over its continental shelf, and provide for freedom of military and commercial navigation within the economic zone and through and over international straits)[4] and that these claimed benefits would be accepted by other nations because the treaty reflects custom—an accepted way of formulating international law.

I do not believe that serious consideration was given to the possibility that the contrary argument could be made—that the Law of the Sea Treaty only creates rights for those who are parties to it and who assume the treaty's obligations. Let us look at just a few examples.

The Strait of Gibraltar is critical to the passage of surface and submerged vessels and to overflight by aircraft of the United States. Spain, which is the relevant coastal sovereign, might argue that the 12-mile territorial sea has become part of customary law (a view very widely held in the world community). At the same time, Spain might argue that the regime of enlarged "transit

[4] In addition, coastal state rights to control offshore pollution as well as shipping state rights within coastal waters are covered by the treaty. Similarly the rights of marine scientific researchers and coastal states are set forth in the treaty. Space does not permit an exhaustive listing of the hundreds of legal rights and obligations which create the overall balance of sea law in the treaty. Suffice it to say that virtually all uses of the oceans are affected by the legal rights and obligations set out therein.

Editor's Note: The many issues considered by the Third Law of the Sea Conference have been the subject of a number of articles in *Foreign Affairs* from varied standpoints. See, most recently, Elliot L. Richardson, "Power, Mobility and the Law of the Sea," Spring 1980, pp. 902–919; Richard G. Darman, "The Law of the Sea: Rethinking U.S. Interests," January 1978, pp. 373–395; Jonathan I. Charney, "Law of the Sea: Breaking the Deadlock," April 1977, pp. 598–627; John Temple Swing, "Who Will Own The Oceans?", April 1976, pp. 527–546.

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passage" through international straits is new to international law—that it is found only in the Law of the Sea Treaty and is thus a contract among the parties to it. Thus Spain would argue that the old rule permitting only "innocent passage" in the territorial sea would apply—which prohibits submerged navigation. This is not the time or place to attempt to prejudge the outcome of such an argument. What is dangerous for the United States is the existence of the argument and the potential uncertainty of its military rights in narrow seas during times of crisis.

A second example could be that coastal states may choose to impose stricter regulations on oil tankers flying a U.S. flag, arguing that they have a right to discriminate against non-parties to the treaty. Third, in a Middle East crisis Arab countries might be tempted to seize on U.S. non-participation in the treaty as an excuse to attempt to limit our activities within their economic zones.

Thus, for those nations who eschew the treaty obligations, while treaty rights may be claimed as a matter of customary law, they may also be contested (even by obstructive action) and in any case challenged in protracted litigation before the International Court of Justice. That Court may one day resolve America's rights to freedom of navigation, with the possibility that the successful ten-year negotiating effort to gain these rights could conceivably be lost in a single court decision.

V

One final point remains. The totality of the seabed mining provisions of the treaty are hard to defend on the merits. I am a conservative who sympathizes with the Reagan Administration's criticisms of the Law of the Sea Treaty. Presumably that is why the Reagan Administration asked me to join the effort at renegotiation. While I am certain that the final treaty would have better satisfied U.S. interests had the Administration been less ideologically rigid in its approach, I also would be the first to acknowledge that the best that could have been done would have involved important compromises of principle.

But the dilemma for the United States now goes far beyond the specific flaws in this treaty. In time—probably sooner rather than later—our allies, the Soviet bloc and the Third World will sign and ratify the treaty. They see a long-term future in the treaty, and they will want to be part of it. They will want to protect "grandfather rights" for their companies, secure international approval for broad jurisdiction over their continental shelves, have a voice in organizing, staffing and drafting the rules of the new

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Seabed Authority, and lay to rest numerous other potential disputes about varying uses of ocean space and resources.

If the Western industrialized powers, minus the United States, join the Soviet bloc and the Third World, they will create an historic global organization—one which for the first time regulates, manages and produces globally shared resources. One day this institution could use its taxing power to become self-financing. Should all this occur without American influence, participation and leadership, our nation will suffer a much more serious adverse precedent than any of the adverse precedents we fought against in the treaty negotiation itself. We will stand as the emperor without clothes—for the entire world will see that it can do amazing and stupendous things without American money, leadership or technology. If the United States is not part of the treaty system, American companies will have to go to other countries to be able to conduct business in the seabed. As a result, the United States will lose direct access to strategic raw materials from the seabed, a goal it has sought consistently throughout the ten-year law of the sea negotiations.

In short, the guardians of pure conservative ideology may have won a battle when the United States stood alone at the Law of the Sea Conference, but the United States may lose a very important war.

VI

If one accepts the thesis that our Western allies will join the Law of the Sea Treaty and refuse to create a mini-treaty with us; that our companies will flee to other flags so as to operate under the treaty and gain universal acceptance of their mining claims; and that vitally important freedoms of the seas will now be subject to legal argument and potentially will be decided by the International Court of Justice adversely to our interests, then the United States is compelled to examine any remaining option to improve the treaty and sign it, and should not simply walk away from the treaty in the misguided hope that it will evaporate.

In September 1982 the Law of the Sea Conference will convene in New York to approve the final recommendations of its drafting committee. If the United States were willing to mount a major diplomatic initiative between now and then to obtain consensus approval for a few amendments relating to discrete issues—such as the process for amending the treaty, the mandatory transfer of private technology, and clearer provisions for the separation of powers between the one-nation, one-vote Assembly and the Executive Council (on which we now have a guaranteed seat)—I

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believe there is a chance for success, and I also believe there would be a good chance to persuade the Senate to advise and consent to the treaty.

This approach is conditioned on the proposition that during the same time period the wider business community—not just a handful of mining companies, but scores of American corporations with far-flung global interests and a direct concern with the risks presented by isolationism and worsening U.S. relations with the Third World—will enter this policy debate and make their views known forcefully.

In a recent appearance before the Association of the Bar of the City of New York, the President of the Conference, in response to a question whether additional amendments would be admitted in September, replied that he was a "servant of the Conference" and would, of course, not impede a consensus decision to make further amendments.

In any event the United States should avoid premature breaking of ties with the Conference. We should attend the drafting committee meeting this summer (where incidentally the United States serves as Chairman of the English Language Group), we should attend the signing session in Caracas in December 1982, and we should sign the final act of the Conference, a step which has no legal significance except that it gives us the right to attend the Preparatory Commission as observers when it writes the rules and regulations of the new global Seabed Authority.

If, finally, the President decides that the United States should not sign the treaty after making one last effort to improve those of its provisions which are true impediments to its ratification—so be it. But my prediction is that eventually a future U.S. President will sign it, and its content will be worse than if we had compromised a little now on principle to gain additional benefits.

If my political analysis is correct, this or some future Administration will come to understand that the costs of isolation are far higher than the costs of accepting some of the rhetoric and principles of the North-South dialogue. And when the United States does eventually join, the rules of the game will already be set and our industrial competitors will be operating in the seabed and will have gained by then major political and economic advantages in the work of the new institution.

Our senior foreign policy makers should understand that once leadership is abdicated and the world finds that it can proceed without us, it will not be easy for the United States to reclaim its influence.

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Pedro-Pablo Kuczynski

ACTION STEPS AFTER CANCÚN

The meeting of 22 national leaders convened at Cancún, in Mexico, last October, despite "millimetric progress" (in the words of Willy Brandt), launched a call for "global negotiations." What is meant by this is a series of international conferences, sponsored perhaps by the United Nations, to discuss the major economic problems which have affected the balance of payments and prosperity of many developing countries. Among these problems are food, commodity price stabilization, energy, and the international financial system.

If the experience of the North-South dialogue of the last decade is any guide, there is bound to be a lot of skepticism on both sides of the table about the likely results of this latest effort. The new talks would start in the midst of a deep international recession, which has driven most commodity prices other than oil to their lowest levels in real terms since the end of the Second World War. While this catastrophe obviously stimulates a wide array of developing countries to give global negotiations another try, it also makes it much more difficult for the industrialized countries of Europe and North America to be generous, as they themselves face serious domestic economic and social problems. As of the spring of 1982, the number of unemployed in the United States and the European Economic Community topped 20 million workers.

This article presents ideas on some further steps beyond Cancún. It concentrates particularly on the role of the multilateral development banks and their possible part in energy development.

II

A major stimulus to the Cancún meeting was that the Reagan Administration has been widely perceived as only tangentially

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interested in the developing world. This is of course not surprising for a government whose main concern is to introduce major domestic reforms. Moreover, the phenomenon is not new. The U.S. constituency interested in the developing world has always been limited to a few relatively small groups. In the last decade the strength of this constituency has eroded. The aftermath of Vietnam, stimulating isolationism, was clearly a major factor. The backlash against OPEC was another. Then the opening up of China, a country with historic links to the United States, introduced the fascinating new subject of a huge country which absorbed the attention of those normally interested in other less spectacular developing countries. These changes were combined with the endless confrontational rhetoric at the United Nations, especially on the part of a small number of Middle East and African countries. All of this has sharply eroded the interest in developing countries; support for development assistance, tenuous at best, has plummeted. The Reagan Administration clearly feels it has to be responsive to these electoral views.

The result has been a questioning by the U.S. government of what should be the role of the multilateral development agencies, with ensuing cuts in the proposed capital increases for the multilateral development banks, especially the World Bank and the International Development Association (IDA), the World Bank affiliate which is funded almost entirely out of government contributions and lends to the poorest countries.

While the degree of criticism of the multilateral development banks by the U.S. Administration has receded somewhat in recent months, as they have begun to reorient their lending and give greater emphasis to the development of private sector projects, the cut in the growth of the volume of lending is taking place at a time when access to commercial bank loans by the so-called middle-level developing countries is becoming more difficult, as a result of the well-publicized debt-service problems of Poland and Romania and the financial difficulties of a few large economies in Latin America. The severity of the impact of the international recession upon export earnings of developing countries thus threatens to be aggravated on the side of the capital account by a curtailment of loan flows at the time when many countries are in particular need.

Let me digress to illustrate this point with reference to Peru, my own country, and to show the very limited room for maneuver which such countries face in economic terms at this juncture. The case of Peru, by no means the worst hit among middle-level

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developing countries, since it is a modest net oil exporter, illustrates the perils of an international recession combined with high international interest rates and curtailed capital flows.

In mid-1980, Peru embarked on a bold experiment with democratic government, after the first presidential elections since 1963. The return to power of Fernando Belaúnde Terry, after twelve years of military rule, naturally greatly heightened popular expectations. For one thing, per capita income had declined sharply—by about 15 percent—in the wake of the financial crisis of 1975–78, which was brought on by the profligate fiscal policies of the previous government. For another, the restoration of freedom of the press on the day Belaúnde was inaugurated was bound to fuel popular hopes further. A major program was launched to stimulate investment and production, by giving farmers credit and more realistic prices and by making new investment more attractive in petroleum and mining. A start has been made in filling the large infrastructure gaps which had been allowed to develop in the previous decade, especially in roads, electric power, education and basic public health. All of this has required revenue and also painful domestic adjustment measures such as price increases and decontrol for food and fuel, and the introduction of new taxes, particularly a value-added tax, in order to finance the public investment effort.

In a relatively small economy such as Peru's, prosperity and the availability of resources are heavily dependent upon exports. The reconstruction effort thus relies on external prosperity. The combination of the international recession and high interest rates cast a pall over 1981. Peru did well to register a four percent rate of economic growth in 1981. 1982 looks quite uncertain. Minerals as a group, which account for half of Peru's merchandise export earnings, at present face their lowest export prices in real terms in more than 30 years. The case of copper, which represents one quarter of merchandise export earnings, is particularly dramatic. One ton of copper in 1970 could buy 24 tons of wheat (most developing countries are wheat importers, because of climatic conditions) or four large tractors; in 1981 its purchasing power had fallen to 11 or one respectively.

At the same time, soaring international interest rates on the floating rate Eurodollar portion of the external debt, the largest single component of the external debt of the middle-income developing countries, has caused a scissors effect on their balance of payments and their budgets: less income, more outlays.

The case of Peru, not an untypical one, illustrates the vulnera-

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bility of relatively undeveloped economies to the international recession and the accompanying credit squeeze. Global negotiations cannot cope with this immediate problem. A more prosperous international setting is the prime requisite. On the other hand, the magnitude of the international recession requires that the negotiations that follow Cancún focus on rather practical and achievable objectives.

III

The first key point is thus that the post-Cancún negotiations be practical and limited in scope. A major priority should be to focus on subjects on which there is a risk of going backwards if nothing is done. Two subjects come to mind. First, the future role of the multilateral development banks (particularly the World Bank and the Inter-American Development Bank.) Here it is fundamental to avoid retrogressing in areas where international cooperation has worked well. Second, there is the question of energy, where the present conventional wisdom that the glut in world oil will last for a long time may well slow down the drive to correct past mistakes in energy policy and, in the case of the poorest developing countries, to give proper orientation and funding to their energy programs. The fact that these two subjects can be discussed in specialized groups, rather than in large "global" conferences, should not invalidate their importance on the post-Cancún agenda.

In recent years the multilateral development banks, and among them especially the World Bank, have become far more visible as a result of their growing volume of operations. In the fiscal year ended in June 1981, gross loan disbursements to developing countries by the World Bank and its affiliate for highly concessional loans, IDA, were almost seven billion dollars, somewhat more than five times what they had been a decade earlier. The regional development banks (Inter-American, Asian and African) added approximately another three billion dollars in the same period. To put these disbursements of about ten billion dollars in perspective, they should be measured against the identified external capital flows, including both loans and investment, into these countries. These flows were about $60 billion for the latest year, also about five times what they were ten years ago. Thus, while lending by the World Bank and the regional development banks has grown much faster than inflation, contrary to general impressions it does not represent today a significantly larger proportion

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of the external capital inflows into developing countries than it did ten years ago. In other words, the multilateral development banks are helping to cover a similar proportion of a much larger financing flow.

Nevertheless, as the World Bank and the regional development banks have become more visible, opposition to their continued expansion has increased, especially in the U.S. Congress. Other industrialized countries, with a few exceptions never more than lukewarm about their own contributions to these multilateral agencies, intially went along with the cuts proposed by the United States for IDA, triggering a major reduction of proposed IDA funding commitments in the fiscal year 1982 (July 1981 to June 1982) from $4.1 billion originally negotiated to $2.6 billion actually budgeted. As a result of a major lobbying effort by the new president of the World Bank, A. W. Clausen, this reduction was reversed this spring when a number of contributors, including several OPEC countries, agreed to make up $500 million of the shortfall.

Nevertheless, there has been a sharp reduction and the outlook for next year is quite uncertain. While the impact of a cut in one year or two can be manageable, and in effect will largely be borne by the amount hitherto assigned to India, there are very few possibilities for the poorest countries—IDA's customers—to obtain the funds elsewhere, on any terms. The two major sources of external finance for the middle-income developing countries—medium-term loans raised in the Euromarket and official export credits—are basically off limits for the poorest countries.

There is also increasing U.S. pressure to accelerate the "graduation" of the more prosperous middle-income or newly industrializing countries from the multilateral development banks. This issue is particularly acute in the case of the Inter-American Development Bank, where the United States a year ago proposed phasing out loans to Argentina, Brazil and Mexico, and at the same time closing the soft-loan window, the Fund for Special Operations, which lends at terms that are somewhat less concessional than those of IDA. The elimination of new lending to the three largest economies of Latin America (Venezuela has already been "graduated") would tend to give a heavy bias in the Bank's operations to Central America and the Caribbean, depriving the Bank of its Inter-American character.

As a result of opposition to the measure on the part of most Latin American countries, a compromise is being worked out, involving a reduced level of lending. Incidentally, after the very

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negative reaction in much of Latin America to the perceived volte-face of the United States in the South Atlantic dispute, from mediator between Argentina and Britain to supporter of Britain, the Bank is one of the important official bridges of communications left intact which ought to be used in the process of repairing the damage that has been done. Undoubtedly, international radicalism in Latin America, at a time when anti-U.S. rhetoric had descended to a relatively low level, has received a major political boost.

The future attitude of the United States to the multilateral banks raises a fundamental political and economic problem. That is whether the role of the multilateral development banks ought to expand or at least be maintained in real terms, or whether it ought to be curtailed. While there are many views within the U.S. Administration, there is a powerful feeling underlying a number of Treasury statements, namely that there is no place for the type of subsidies which the multilateral banks receive and grant to their borrowers. Under this view, which has become less pronounced in recent months, once the U.S. economic program is successful and interest rates have fallen, the benefits of a stable international capital market—for the developing countries with access to it—will far outweigh any benefits now received from subsidized credit from the multilateral development banks.

Such a view is obviously oversimplified and glosses over the fact that the cost to the taxpayer of the ordinary capital operations of the multilateral development banks has been small. In the case of the regular loans of the World Bank, of $3.7 billion in paid-in capital since its inception in 1945, the U.S. share has been $850 million and that of the other major industrialized countries $1.4 billion; these paid-in sums, without ever having had to lay claim to the $33 billion of callable but not paid-in guarantee capital, have enabled the Bank to mobilize over 35 years, largely by borrowing in international capital markets with the guarantee of its callable capital, $68 billion in loan commitments to the developing world. Incidentally, most of this has gone back to the industrialized countries in the form of purchases of services and machinery. In round numbers, for example, the U.S. contribution of $850 million in cash has probably brought it about $15 billion or so in orders for equipment and engineering services, a large part of which would otherwise probably not have taken place.

In the case of IDA, of course, which relies on budget allocations, the fiscal impact on the donor governments has been much more important, totaling $22 billion over 20 years of which the U.S.

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share has been roughly $8 billion (initially 40 percent, now roughly 29 percent). But this has to be put in the context of the very limited resources of external capital aid available for the really poor countries, to which IDA limits its activities.

The issue of whether the contribution of the multilateral development banks ought to grow in relative terms should be examined, bearing in mind the fact that historically almost all the economies that have taken off have been assisted by major infusions of external capital. The United States itself is one historical example, while Taiwan, Korea and Israel are more recent instances. There is, of course, a question to be asked about the richer developing countries, whose relative need is declining for the type of technical and financial contribution which the multilateral banks can make. Clearly their relative importance in the total portfolio of the multilateral banks should decline. The speed partly depends, of course, on their own progress and that of the next tier of countries.

Another question is the actual project composition of the lending: as basic infrastructure (roads, ports, power and water) has lost relative importance to other activities where the private sector directly competes, such as oil and gas, mining and heavy industry, far more discussion is bound to arise on whether these are suitable areas for multilateral official lending. The effectiveness of some rural credit programs and of projects aimed at meeting "basic needs" has also been questioned, although the experience in these areas has probably been too short-lived to permit general conclusions.

Even if there is disagreement on these substantive but lateral issues, the fact remains that the multilateral development banks have been, over the years, the most tangible and measurable form of cooperation between the richer and the poorer nations. They have come to be taken for granted by the recipient countries, where they are not always popular because of the often stiff performance conditions attached to their loans. At Cancún there was much lip service in their direction. Yet, only a few months later we find that, instead of continuing forward, for the first time in 30 years we could be about to take a major step backward. And this is happening at a time when the outlook for commodity-exporting developing countries is particularly grim. Clearly, there is a need for a thorough public reexamination of the issues involved.

Meetings of the governors of the World Bank and of the Inter-American Development Bank cannot resolve these problems. Obviously, a good deal of bilateral informal negotiations with the

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U.S. government and other governments will be necessary. However, even if agreements are reached at this level, there is no guarantee at all that they would get legislative approval. There is therefore a need to agree first of all upon broad objectives that reconcile positions as much as possible, and which would provide the backing for detailed legislative recommendations later on.

Among these broad objectives, suggested here merely as points for discussion, might be the following:

— Agreement that support for the multilateral development banks is one of the most important and tangible ways in which the industrialized and capital surplus countries can demonstrate their concern for the majority of developing economies which need and can effectively use external capital at less than market terms. It is true that the bulk of external resources for the middle-income countries are likely to come from export credits and market loans and for the poorest countries, especially of Africa, from bilateral aid. But there is an important role to be played by multilateral financing, which is untied and which places much more emphasis on the quality of investments than other forms of capital flows, except for private investment.

— Recognition that both IDA and the Fund for Special Operations of the Inter-American Development Bank should continue to exist as long as the poorer countries have little or no access to market loans, should expand at an annual rate greater than inflation, and should focus increasingly on the poorest countries to the extent that is not already being done. The possibility of intermediate, less concessional, terms for countries which are not quite as poor ought to be contemplated, as is the case for the Fund for Special Operations. A definition is needed on the share of World Bank/IDA lending which will go to China. If China were to absorb a major share of World Bank lending, as it might, a greater expansion would be needed than at present contemplated of the resources of the regional banks.

— Support for the continued expansion of the ordinary capital activities of the multilateral development banks. Increases in capital, which are provided by all countries in line with their ability to pay, might include a lower portion in cash (at present ten percent) but not to the point that it unduly increases the debt burden of the multilateral banks. At the annual meeting of the Inter-American Development Bank held in Colombia in March 1982 some progress was made

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along these lines. Growth of personnel should be kept to a minimum.

— Recognition that some major contributors, particularly the United States, consider that much greater emphasis should be given than was the case in the recent past to the role of the private sector. This view would mean both that the multilateral banks should not undertake or finance projects which can be arranged on reasonable terms by other sources—a principle already central to their charters—and that they should give special financial and technical help to productive investment by the private sector, especially in agriculture and in projects where their presence tips the balance in favor of an investor coming in instead of abstaining.

Much of this may sound obvious. However, there is a danger that in the past we have lost sight of these objectives, so that consensus has disappeared on the very nature of the multilateral financial institutions. There is a need for a new dialogue to restore some consensus.

What forum is the right setting for this dialogue? None of the existing settings is entirely appropriate, since they are associated with other routine functions. A conference would achieve little. Perhaps a series of special rather informal meetings organized by an outside body might be a place to start. The Brookings Institution held such a one-day meeting early in January on the "Future of the World Bank." The "Development Committee" of the World Bank, a group of 20 finance ministers that meets twice a year, in theory could be a useful forum, but a revamping of its procedures would be required, such as reducing attendance at the meetings, eliminating set speeches and in general other changes to turn it into a working group instead of an assembly. In general, care has to be taken not to confine a new dialogue to the constituency of the "convinced," since that would be a waste of time.

At its spring 1982 meeting in Helsinki, the Development Committee made some progress, in the sense that a number of countries said that they were willing to de-link the level of their IDA contributions from that of the United States. Moreover, there appeared to be a slight easing in the approach of the United States, although the Secretary of the Treasury cautioned that Congress had not changed its basic attitude.

IV

If there is a question with global implications, it is certainly

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that of energy. As a result of the sharp rises in oil prices in 1973 and again in 1978–79, major readjustments have taken place and are continuing to take place in the world economy. In the industrialized countries, stagflation, the restructuring of a large part of industry (for example, smaller cars, the shift of energy-intensive industries overseas closer to cheaper energy, the resurgence of coal), and a major reduction of oil consumption as a proportion of total energy use, have perhaps been the main features of the era of higher energy costs. The mushrooming growth of the Eurocurrency market, to over $1,800 billion gross (i.e., without deducting interbank deposits) at the end of 1981, was certainly stimulated by the need to park and recycle the oil-induced surpluses. For the oil-importing developing countries, the initial impact of the cost of higher oil imports was extremely heavy. Balance of payments deficits became very large and growth rates plummeted.

However, over time a significant number of the more prosperous or strongly managed countries have been able to snap back. A number of them have sharply expanded their domestic oil production horizons, either from scratch or from a modest base, including countries as diverse as Argentina, Guatemala, Peru, Ivory Coast, Cameroon, Sudan and the Philippines. Several of these are already oil exporters or well on their way to becoming exporters. Other countries, such as Brazil, have launched large-scale programs to replace oil with renewable fuels such as alcohol. The poorest countries, however, continue to be hard hit, despite substantial special credit help from the International Monetary Fund. Everywhere a shift is taking place from oil-burning power plants to coal, and additions to electric generation capacity are relying as much as possible on hydropower.

The oil price rises have not created the tension that might have been expected between the major oil exporters and the oil-importing developing countries. The North-South dialogue, which was in its heyday in the early and mid-1970s and was partly encouraged by OPEC, deflected some of the latent discontent toward longer-standing issues with the industrialized countries. Also, a number of the large OPEC producers started programs to finance the cost of higher oil imports by neighboring developing countries. Venezuela has been particularly forthcoming in the case of Central America and the Caribbean. For the majority of sub-Saharan African countries, however, the blow was hard. Without refineries of their own, they could not in any case have used Middle East OPEC crude and had to rely on imports of refined

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products from the oil companies at normal commercial terms.

Still, it is instructive to reflect upon the relative lack of confrontation between developing countries and OPEC on a subject as charged as that of oil prices. Perhaps the main reason is the deep emotional admiration among commodity-producing developing countries for OPEC. OPEC is viewed by them, as it were, as the kid who broke away from the slum and made good.

The present oil glut threatens to create a new energy complacency both in the industrialized and developing worlds. This could lead to a future serious setback. One should consider that the present glut may be the result of a rather unusual coincidence in time of three events: the normal cyclical decline in consumption as a result of the international and particularly the U.S. recession, the coincidence of this decline with the first really serious U.S. attempt at conservation (particularly smaller cars) since the Second World War, as a result of the oil price increase of 1979, and the combination of these two factors with relative peace in the Middle East. The last statement is arguable, in view of the revolution in Iran and the subsequent war with Iraq, but the initial impact of the conservation effort is a one-shot affair and the recession will be over one day. With declining prices, oil consumption is bound to recover somewhat, even without much of an economic recovery. The possibility of another oil crisis should therefore not be forgotten.

The bulk of developing countries face particularly serious energy problems. It is not simply a question of finance, but also of organization and the proper market signals. For the oil-importing countries, especially the poorest, there is the need to work out a "safety net" warding off the perils of sudden price increases and supply disruptions. This is not a global problem but rather suggests a bilateral discussion between major Middle East OPEC producers and African and Asian consumers: now when supplies appear plentiful is a good time to work on future arrangements. Within Latin America, a start has been made through the Latin American Energy Organization (OLADE).

A major challenge is how to meet increasing energy demand for countries which are at incipient stages of industrialization and in which, therefore, further income growth is highly energy-intensive. The World Bank rather conservatively estimates that commercial energy demand by the oil-importing developing countries (a rather broad category) is likely to increase from the equivalent of 14 million barrels a day in 1980 to 24 million barrels in 1990, or an annual growth of less than six percent. The share of oil in total

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supply would go down from 53 to 46 percent, as a result of a major investment effort in coal and hydropower, but the oil import requirement would still rise from 5.8 to 8.4 million barrels a day.[1]

The projection assumes rapid increases, which are in fact already taking place in some countries, in domestic oil production. The cost of the total energy investment effort is estimated at $40–50 billion (in 1980 dollars) annually, a number which is probably on the low side. It should be compared with a total gross national product (GNP) for the oil-importing developing countries in 1980 of about $1.5 trillion (i.e., $1,500 billion); this means that something on the order of ten to 15 percent of all investment in these countries will have to be devoted to energy in this decade, a large-scale effort which is proportionately significantly higher than in the last decade.

Numbers such as these prompted Robert McNamara, before his tenure as president of the World Bank ended in mid-1981, to suggest the creation of a special energy affiliate of the World Bank which would carry out a large lending program for energy. For the five-year period 1982–1986, a lending program of about $30 billion was envisaged, distributed 40 percent to electric power, one-third to oil and gas, and the rest to coal, traditional fuels, and conservation in industrial plants. The affiliate would legally be a separate institution, with its own capital. One unstated justification was that it would be easier to get fresh capital for such an undertaking, especially from the larger OPEC countries, because of the purpose of the new institution and because its capital structure could give these countries more voting power than they have in the World Bank itself. By separating out, at least in financial terms, the fastest growth sector of World Bank lending, it could be easier to get the additional capital needed both for the more traditional activities, diminished in relative terms, and for the new energy program.

The United States has strongly opposed this new initiative.[2] In addition to much skepticism about the idea of creating another international organization, the U.S. Treasury questions the need for a large lending program for oil and gas (although it is fair to say that a ten billion dollar oil and gas program over five years, spread over many countries, can almost be considered small

[1] *World Development Report 1981*, Washington: The World Bank, 1981. The calculations do not include China, which is self-sufficient in energy.

[2] See *An Examination of the World Bank Energy Lending Program*, Office of the Assistant Secretary for International Affairs, Department of the Treasury, July 28, 1981.

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change). The program, it believes, would be directed largely for the benefit of state oil companies. The reason for this point is that the Bank cannot lend to the private sector without a government guarantee, and it is certainly unlikely that developing countries would feel justified in giving foreign oil companies such a guarantee. On more questionable ground, the Treasury considers the energy demand projections of the Bank to be exaggerated.

At Cancún, clear support was expressed by a wide variety of participants for the energy affiliate. But the matter rests for now, as the United States is quite unlikely to change its position and the other countries perhaps do not feel strongly enough on the subject to mount a major campaign for that purpose.

There remains, nevertheless, a need to clarify how the very substantial energy investment needs mentioned above are going to be met. A lot depends on proper planning and policies within each country. The role of the official agencies, especially the multilateral development banks, has to be defined.

One thing which is clear is that it is not possible to look at all "energy" from the same administrative standpoint. The contrasting cases of electricity and oil and gas illustrate the point. Investment in electric power, for example, is largely carried out by state-owned utilities in most of the world. Where hydroelectric projects are concerned, the bulk of the substantial capital costs, outside of primitive economies, are local (earthmoving, cement, civil works) and the imported component—which is what the multilateral development banks traditionally finance—is usually relatively low, maybe one-third of total project cost.

In oil and gas, on the other hand, the bulk of successful exploration and development investment has been done by the private sector. The overwhelming majority of investment—from seismic surveys to drill pipe, drilling rigs and engineering crews—is for imported costs. In most creditworthy countries, field development costs can usually be financed commercially, without any recourse to government or parent company guarantees, once a commercial field is proved to exist and a sufficiently strong sponsor exists who can develop it.

Coal stands somewhere between oil and gas on the one hand and hydroelectricity on the other: the role of government and the pattern of investment vary, but so far not much has been done in developing countries because of a lack of basic geological information. Geothermal electric generation has been another relatively neglected area.

The energy lending program, with or without an energy affili-

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ate, gives the World Bank and also other multilateral banks an opportunity to build a bridge between the emphasis which the United States has been placing on the private sector in development and the Bank's own assessment of the need for a larger and more active role by it in energy. In oil and gas, the Bank should be able to maximize the use of its limited resources by emphasizing, for the middle-income countries which already have some access to the international capital market, guarantees rather than loans. The World Bank has not so far used the guarantee powers in its charter, under which a developing country would raise the loan in the capital market with the World Bank guarantee rather than obtaining a direct World Bank loan. It is felt that guarantees create a call on Bank capital in the same way that loans do and that the issue of guaranteed paper would create confusion in the capital markets.

On the other hand, oil and gas development projects, as investment and commercial bankers well know, provide the best opportunity available to enter the fixed-rate private placement market, as long as the sponsor is sufficiently strong or enjoys a guarantee such as that of the Bank or the regional banks behind the project. The Bank might guarantee the government portion of a joint venture, especially in countries which are graduating towards increasing use of the international capital market. While such a format would certainly not be applicable to the poorest countries, which are the ones which most need help, it bears studying. One bonus effect for the lender would be that guarantees do not carry the problem of insuring that borrowing costs are covered by lending interest rates, an issue that has bedeviled the finances of the multilateral development banks in recent years.

In the case of electricity, the financing needs of the middle-level developing countries are tremendous. In a number of rapidly industrializing countries, demand is growing at ten percent or more a year, which means that capacity has to be doubled every seven years or less. And this is occurring despite hefty utility tariff hikes, which reflect the high capital cost of hydropower facilities.

In Peru, for example, a country with moderate growth after a decade of slow growth and recession, we will have to spend an average of at least $600 million annually (in 1980 prices) in the 1980s for hydro facilities and long transmission lines in order to meet demand, plus another $100 million or so annually on small electric systems to increase the coverage of the population with access to electricity, especially in the Andes, from the present abysmally low proportion of 40 percent. This investment will

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represent about five percent of GNP or roughly one quarter of total gross domestic investment, a very large effort. For such programs to go ahead in the developing world, massive financing is needed from a variety of sources.

Long-term export credits for the imported equipment are today plentifully available from traditional suppliers and from new ones such as Argentina, Brazil and Korea; in order to take advantage of this financing, much of it from private sources, and at the same time be able to use loans from the multilateral banks—which bring with them financial discipline and proper planning—countries will have to convince the multilateral banks to be more flexible than in the past and be willing to finance a significant portion of local costs. What matters is whether the total financial structure of a program is properly balanced, rather than whether particular pieces of financing are attached to particular expenditures. There is a major role for the multilateral banks here; otherwise, the temptation will be to rely excessively on medium-term Eurodollar loans which would lead, as is already happening in the case of some power systems, to a debt service crunch.

The financing of investment in energy by developing countries would perhaps not be advanced significantly by "global negotiations," but there are certainly enough questions of general relevance which bear discussion at an international level. The Cancún meeting advanced the idea of a World Energy Plan. While the idea has some obvious pitfalls, there is merit in adding up the numbers and trying to think of imaginative ways in which the energy investment challenge which most developing economies face in the 1980s can be met.

An international working group on energy might be worth considering. There clearly would be skepticism about such an initiative if it were to lead to another international organization. However, there may be room for a dialogue among a small number of representatives from four groups: OPEC, the oil-importing industrial countries—basically the OECD countries grouped in the International Energy Agency—the oil-importing developing countries, and a fourth group which would include the non-OPEC oil-exporters, most of which are minor exporters, with the exception of Mexico.

V

As I said at the start of this article, my objective has not been to focus systematically on the major points which might be the

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subject of global negotiations after Cancún. Instead, I have focused on two subjects, the role of the multilateral development banks and the financing of energy, where I feel that there is at present a stalemate between the United States and the majority of other countries interested in multilateral efforts at development. I have tried to suggest some approaches to breaking the stalemate. In recent months there are hopeful signs of a rapprochement. Without it, there is a risk of going backward in these areas, so that Cancún would simply have been a rhetorical exercise instead of a step on the path of progress.

Food and agriculture and commodity price stabilization are two subjects I have not covered. The first bears a comment. Certainly, it is an area where recent U.S. post-Cancún aid initiatives are greatly welcome. Agriculture remains the key to employment and growth in most developing economies, but it is surprising how many countries repeat the same mistakes year after year in their agricultural policies. Farm prices are held artifically low, marketing is controlled by bureaucrats, fertilizer distribution is centralized, artificially overvalued exchange rates are maintained, no storage is provided, feeder roads are not built, and so on.

Some major countries, Brazil and India for example, have made very large strides by taking a different, more market-oriented approach. Brazil is a major agricultural exporter, and in the last five years India has become virtually self-sufficient in foodgrains. But in sub-Saharan Africa and much of Latin America—including Peru—farm output has lagged behind population growth, and nutrition standards have deteriorated in the last 20 years. To what extent an international effort can help is quite uncertain, although the question of agriculture in the poorest countries remains at the top of the international development agenda.

Cancún may end up having been little more than rhetoric and symbolism. At least it should be a reminder that there are a number of issues and areas where substantial progress has been made in recent years and where there could now be a danger of stopping the progress achieved or even of going backward. These issues should be the first priority of any further negotiations, each in a setting suitable for the subject. If that much can be achieved, it will be real progress.

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Robert Pastor

SINKING IN THE CARIBBEAN BASIN

If someone asked about a "Caribbean Basin" 20 years ago, you might have referred him to a geographer or to a West Indian plumber. When President Ronald Reagan announced his Caribbean Basin Initiative on February 24, 1982, however, all the questions concerned the initiative. Apparently, everyone now knows where the Caribbean Basin is; indeed, there is a growing impression that we are sinking in it.

Deepening U.S. involvement in the conflict in El Salvador and the possibility that the conflict might spread are doubtless the principal reasons why Americans are beginning to get that sinking feeling about the Caribbean Basin, but hardly the only ones. Boatloads of Haitians and Cubans, Mexican pride and a porous border, a formidable narcotics traffic which eludes the U.S. Navy and Coast Guard, Nicaragua defiant, Cuba undaunted, Grenada oblivious—these are some other examples of why U.S. ability to influence, let alone control, developments in the region seems to be slipping.

Many of the problems facing the United States and other nations in the region precede the Reagan Administration and in part explain the initial appeal of the Administration's tough talk and aggressive posture. However, while the Reagan Administration's language is the most belligerent of any Administration since the United States traded in its big stick for dollar diplomacy, Washington still hasn't plugged the holes in the ship of state. It hasn't gained control of its southern border; it still hasn't cowed Castro or preserved pluralism for Nicaragua or saved El Salvador. Needless to say, this is not for want of trying.

In his speech to the Organization of American States (OAS), however, President Reagan unveiled a Caribbean Basin Initiative

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(CBI) aimed at promoting political stability and economic development in the region and at solving the underlying causes of illegal migration. The principal elements of the comprehensive CBI program are one-way free trade, investment incentives, increased economic and military aid, technical assistance to the private sector, and special help for Puerto Rico and the Virgin Islands. Separately, the Administration has been working with Congress on new legislation to address the problem of the uncontrolled and illegal flow of migrants and refugees to the United States. Will these proposals stop the sinking? Before analyzing them, let us first examine the premise underlying the Administration's CBI—that a Caribbean Basin, in fact, exists.

II

The very concept of a "Caribbean Basin" as a regional system was barely plausible two decades ago. Instead, there was Central America, a region of Spanish-speaking, mostly unstable, mostly banana republics; a polyglot Caribbean of European colonies and marginally viable island economies; and Mexico. Depending on the international crisis of the moment, the United States viewed itself as either an Atlantic or a Pacific nation, but even with two U.S. territories—Puerto Rico and the Virgin Islands—literally in the Caribbean, the United States never saw itself as a Caribbean nation, and until the 1970s neither did Venezuela.

The linguistic, cultural, historical, economic and political diversity was—and remains—more evident than any shared characteristics. Indeed, all that the nations in and around the Caribbean Sea seemed to have in common was a view of the United States as the "colossus of the north" and the U.S. view of them as a "backyard."

Of course, the views of many have not changed, but the region has. Twenty years ago, there were three independent nations in the Caribbean. Today, there are 15 (25 nations if we widen the circle to include the nations on the rim of the Caribbean and 35 including dependencies)—more, in short, than the rest of Latin America. Today, more than one-third of the members of the OAS are not Spanish-speaking.

Compared to 20 years ago, nations in the region today are much more jealous and assertive of their sovereignty, in part because many are insecure about their political identity and economic viability, particularly those smaller nations which have recently become independent, and also because citizens have come to

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expect more from their governments. Because of proximity to the United States, these nations are more sensitive than others to suggestions that they have no greater destiny than as our backyard.

Many concerned about Central America and the Caribbean are uncomfortable about the two regions being lumped together in a single Basin, but the differences within each region are at least as great as between them. In language and culture, the Caribbean contains French/Creole-speaking Haiti, and Spanish-, Dutch-, and English-speaking islands. Central American governments range across the political spectrum from a rightist military government in Guatemala to a leftist military government in Nicaragua; Caribbean governments range even more widely from Haiti to Cuba. As to stages of economic development, the Caribbean ranges from dirt-poor Haiti to oil-rich Trinidad; Central America, from Honduras to Costa Rica, which has more than three times its per capita income.

The real issue is not whether Central America and the Caribbean should be objects of separate policies (or, for that matter, that we should have separate policies for each nation), but, rather, in what ways does it make sense for us to view them as part of a Basin.

Although some leaders like former Costa Rican President Daniel Oduber have tried to bring the parliamentary democracies of the Caribbean closer to the authoritarian polities of Central America, hoping that the latter would benefit from the contact, the "Caribbean Basin," such as it is, has not sprung into existence because of such links, because these remain tenuous and embryonic. It is true that trade in goods, services, narcotics, politics, culture and, above all, people has increased within the region and especially with the United States. But the Basin exists for two other reasons: first, the similar character of the problems each nation in the region faces and the fact that solutions require both cooperation among nations and a recognition of the interrelationship of the problems; and second, the nature of the challenge which this changing region poses for the United States, which is itself changing as rapidly as the rest of the region and in a way which reflects the region.

Except the "donor" nations—the United States, Mexico, Venezuela, Colombia and oil-producing Trinidad—the nations of the Caribbean Basin are relatively small in size and population (ranging from 76,000 in Antigua to seven million in Guatemala). Most lack natural resources and are dependent on the production of a

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few basic commodities, although, as development has proceeded, the economies have become more diversified. The population of the region has doubled since 1950 and will double again by the end of the century. The labor force is expanding at annual rates of 2 to 3.5 percent—much faster than any of the economies can absorb—which results in chronic and dangerously high unemployment, a crisis barely below the surface. Scarce public resources are skewed toward dealing with the political and social consequences of the high unemployment and the high rate of urbanization rather than toward dealing with the causes. The cheapest short-term answer to these problems has been illegal migration.

Proximity to the world's largest and richest market offers the region both its greatest opportunity and its biggest problem. Advances in transportation and communications have increased the gravitational attraction of the United States. Advertising, which pushes products and commercial values and inflates expectations, also pulls people to the United States—not just the unemployed but also the best trained and the most upwardly mobile.

In 1973–74, when the first oil shock occurred, the prices of the region's export commodities—sugar, coffee and bauxite—were sufficiently high to cushion and mitigate the impact. In 1979 the commodity prices were down as sharply as oil was up, and the nations of the region were caught in a vise, unable to pay their bills. The economic downturn was exacerbated by natural disasters in the Caribbean and political earthquakes in Central America. Finally, the U.S. recession and high interest rates deepened the debt and halted growth; some countries fell backwards. In 1981 the Caribbean Basin countries needed $3.6 billion in net capital inflows just to stay afloat; a World Bank official estimated the gap at $4 billion in 1982.[1] Because of the economic and political crisis of 1979–80, the latent crisis in the region became manifest.

The United States has traditionally viewed Central America and the Caribbean as a unit for strategic reasons, but there are additional reasons for such a perspective today. First, the United States bears a large share of the social burden if the region's problems are not solved. The state of Florida, for example, spends more money on hospital services for Haitians who arrived illegally than the United States spends on foreign aid to Haiti and more

[1] Statistics cited by World Bank, International Monetary Fund sources. See Richard Feinberg and Richard Newfarmer, Testimony before the Senate Foreign Relations Committee on the Caribbean Basin Initiative, March 31, 1982.

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than Florida can afford without shrinking its services for Floridians. Second, the United States is itself becoming a Caribbean nation, in part because of the largest wave of migration from a single source since Southern and Eastern Europeans arrived here at the turn of the century.

Ten to twenty percent of the population of several Caribbean Basin nations now live in the United States. Our communities and problems are becoming connected: just as Liberty City in Miami rioted to protest the influx of Cubans, we might see parallel riots in Barbados and in Brooklyn, in Mexico City and in Los Angeles to protest the closure of the U.S. labor market.

The outlines of a Caribbean Basin as a region are beginning to emerge. The problems of most of the small and vulnerable nations are similar, interrelated, and require some cooperation and integration to resolve. No one would suggest that the region is fully integrated or that any single overarching U.S. policy is sufficient to address the many economic, political and immigration problems in a way that would do them justice or reflect the uniqueness of each nation. But the Administration's Caribbean Basin Initiative represents the first recognition that the region's problems require a comprehensive response and that the United States has an important and direct stake in the region's future.

III

The Carter Administration started with an interest in promoting economic development in the Caribbean but eventually returned to a concern for national security; the Reagan Administration, reflecting a more traditional approach, made the same journey in the opposite direction. Historically, primary U.S. interest in the region has not stemmed from any desire to extract resources or to implant a political philosophy, although examples of both are plentiful. The United States has been motivated not so much to control the region as to keep out others viewed as hostile. While some see this as imperialistic or hegemonic, in fact, no nation is passive or indifferent to the possible establishment nearby of a regime that is hostile or tied to a powerful adversary.

If one of the problems inherent in the Carter Administration's approach to the region and the world was that it tried to balance too many national interests and values simultaneously, the Reagan Administration has not been similarly burdened. Indeed, it has not wavered in its singleminded policy of anti-communism. "If we do not act promptly and decisively in defense of freedom," President Reagan proclaimed in defense of his Caribbean Basin

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Initiative, "new Cubas will arise from the ruins of today's conflicts. We will face more totalitarian regimes, more regimes tied militarily to the Soviet Union, more regimes exporting subversion, more regimes so incompetent yet so totalitarian ... . "

The Reagan Administration ironically discovered the Caribbean Basin in El Salvador—the only nation in the region that doesn't touch the Caribbean. By drawing lines against communist aggression and expanding military aid and advice, the Administration sought to demonstrate our nation's new resolve and, by doing so, to reassure our friends and frighten our enemies. Unfortunately, its militant and Manichaean rhetoric had just about the opposite of its intended effect.

Reassured that their old enemy was back in all its imperial splendor, Marxist-Leninist guerrillas have tried to use Reagan's own rhetoric to assert their nationalistic credentials: if anything, guerrilla strength in Central America is greater today than two years ago. Similarly, the governments of Cuba, Nicaragua and Grenada were neither bluffed nor frightened into submission; quite the opposite. These governments have used U. S. hostility as an excuse to squash internal dissent and mobilize the people, and obtain and justify more armaments than all their immediate neighbors combined. Moreover, according to the Administration, Nicaragua and Cuba are still sending arms and providing support to the guerrillas in El Salvador.

As for our friends in Latin America and Western Europe, some were frightened that the Administration might really believe its own rhetoric, and make, in the words of Mexican President José López Portillo, "a gigantic historical error" by unilateral military intervention; others were just bewildered that the Administration could talk seriously about "imported terrorism" as the "source" of the problems in the region. Venezuelan President Luis Herrera Campíns postponed his state visit to the United States for six months because of the new Administration's militaristic approach to the region's problems, and subsequently took the unprecedented step of protesting NATO naval maneuvers in the Caribbean before the Organization of American States.[2]

In response to criticism by our friends that the Administration's view of the East-West struggle in the Basin was simplistic and ignored the long-term socioeconomic roots of the crisis, the Administration began consultations in the spring of 1981 with Canada, Mexico, Venezuela and later with Colombia on ways to

[2] Jackson Diehl, "Venezuelan Criticism: Leader Attacks U.S. Policy," *The Washington Post*, March 24, 1982, p. 1.

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address the economic problems in the area. When the CBI was announced, however, it rested squarely on a national security rationale: "Make no mistake," President Reagan said, "the well-being and security of our neighbors in this region are in our own vital interest." The plan was developed to help the nations of the region cope with the economic crisis stemming from sharply deteriorating terms of trade, and a security crisis stemming from "imported terrorism . . . the expansion of Soviet-backed, Cuban-managed support for violent revolution in Central America."

As part of the program to enhance the security of the region, the Reagan Administration significantly increased military aid and training. Above the $50 million initially requested for Fiscal Year 1982, the Administration requested a supplemental of $60 million, and for FY 1983, $112 million. El Salvador would receive about 70 percent. Similarly, nations wracked by instability would receive balance-of-payments support to import critical materials. But to stabilize the security of Central America, a political-military strategy is far more important than the quantity of resources. In 1980, for example, the United States gave no lethal military equipment to El Salvador but used economic aid and the promise of military aid to influence the military to undertake agrarian and other reforms, and reduce repression. The government was stronger at the end of the year and the Left weaker than at the end of 1981 when over $50 million in military aid was delivered without extracting any meaningful promise for it.

Although the CBI may have been born of the struggle in Central America, the most significant trade and investment provisions will have the least impact on those countries with the most urgent need for political stability. Indeed, the Administration may have a difficult enough time just to keep the Export-Import Bank and the Overseas Private Investment Corporation—two U.S. agencies responsible for promoting U.S. trade and investment overseas—from deserting those countries altogether, since their legislative mandates limit their involvement in nations at risk.

IV

The CBI, however, will help develop the stable but economically strapped nations in the region—like Panama, Costa Rica, Jamaica—perhaps more than anything any previous Administration has proposed.

The "centerpiece" of the program is free trade for all Caribbean Basin products except textiles and apparel for a 12-year period. The one-way free trade concept represents a sharp break in U.S.

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foreign economic policy—comparable in principle, if not in impact, to the shift in 1934 in the Reciprocal Trade Agreements Act, which tied the United States to the principle of reciprocity, most-favored nation (MFN) treatment and declining tariffs, and to the movement in 1947 to multilateralism and the General Agreement on Tariffs and Trade (GATT). Since World War II, the United States has been the leader in reducing barriers to world trade, and while condoning exceptions by our allies whether for economic integration—as with the European Community (EC)—or for fostering development—as with the Lomé Agreement between the EC and its former colonies—the United States has always resisted any temptation to replicate a regional approach to trade policy. Even in the mid-1960s, when some urged the U.S. government to develop a special trade arrangement for Latin America as the EC had done for its African, Caribbean and Pacific colonies, this proposal was rejected in favor of a global, generalized system of tariff preferences.

The Reagan Administration overrode the reservations of the economic globalists with the strategic argument that it was an essential element in a comprehensive strategy for countering the communist threat to the region. The economic arguments then easily reversed themselves: the CBI didn't represent a retreat for U.S. interests in a global trade policy but rather was an effort to increase the capacity of developing countries to participate in the global trading system. Moreover, the plan would help the region and U.S. consumers much more than it could possibly hurt those few producers who might be adversely affected by the competition. The problem of squaring the Initiative with GATT can be resolved by requesting a waiver.

Since about 87 percent of current Basin exports enter the United States duty free, and about another five percent will be excluded as textiles, several economists have estimated that the total increase in trade for the first year may be as little as $100 million, or one percent of the region's current trade.[3] However, the ferocity with which unions and industries representing leather and rubber footwear, rum, automobile parts, tuna, mushrooms and perishable farm products have lobbied Congress to exempt their products suggests that a static economic analysis of current exports may considerably underestimate its potential dynamic impact. The incentive for medium-sized investments in light manufactures and

[3] Albert Fishlow, Testimony before the Senate Foreign Relations Committee on the Caribbean Basin Initiative, March 31, 1982; see also Richard Feinberg's testimony.

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horticultural products, which could create the most jobs and have the most beneficial economic impact on the small economies in the area, could be considerable, more so because of the liberalization of the "rules of origin" provisions, making it more profitable for foreign businesses to complete the assembly of their products there.

Trade has been the "engine of growth" in many small developing countries. Between 1950 and 1980, Central American trade increased eighteen-fold, stimulating the economies to an annual rate of growth of about five percent. The CBI could become a potent force for further economic diversification and expansion; one has only to consider the effect if just two or three medium-sized firms are encouraged to invest in one of the small eastern Caribbean nations. In the long term, one-way free trade is clearly the most important part of the program, although negotiations with Congress and governments in the region could delay its impact for a couple of years.

By eliminating the duty but not the fee on sugar imports from the region, the Administration proposed to give sugar producers a slight preference over other foreign exporters, but not so much as to compete equally with U.S. sugar growers. On May 4, 1982, however, President Reagan decided to raise the domestic price of sugar by establishing a global quota system with no preference for the Basin. This will reduce the amount of sugar Caribbean countries can sell to the United States by about one-third and leave several of the sugar producers considerably worse off than they were before the CBI was announced. Similarly, for fruits, vegetables and meat, the CBI eliminates the duty, but domestic programs can restrict the quantity of exports—duty-free but not free trade.

Had the President articulated a more comprehensive vision of the United States as a part of the Caribbean, it would have been logical to argue for either eliminating U.S. domestic agricultural support programs—e.g., sugar, vegetables, cotton and beef—or broadening them to include the Caribbean. Just as the U.S. government intervenes in the market to protect U.S. growers, it would do the same for those from the Basin.

Similarly, President Reagan pledged to extend more favorable treatment to Caribbean Basin textile exporters even while seeking tighter limits from all exporters. As with sugar, it would have been preferable not to limit textile exports from the region, but this is not politically feasible at this time. However, given the mobility of the textile industry and its sensitivity to labor cost differentials,

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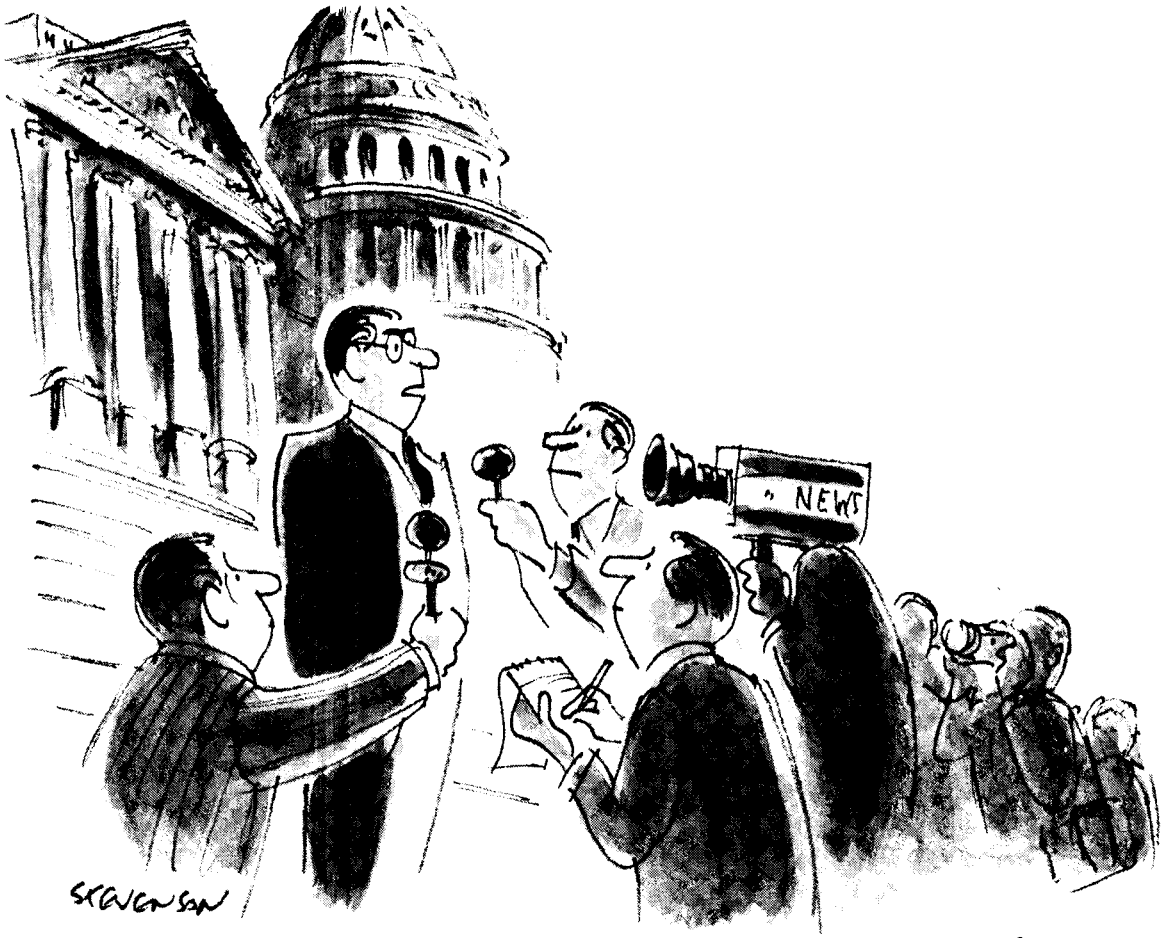

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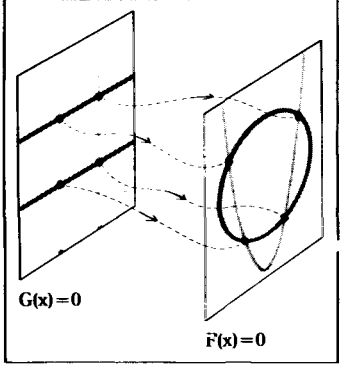
The Continuation Method

The need to solve systems of polynomial equations arises in pursuits ranging from geometric optics to chemical kinetics. A practical method of solution, developed at the General Motors Research Laboratories, provides designers of mechanical parts with a new capability.

Two equations in two unknowns



The two pairs of parallel lines of G(x)=0 evolve into the parabola and ellipse of F(x)=0.

The three pairs of parallel planes of G(x)=0 evolve into the paraboloid, ellipsoid and cylinder of F(x)=0.

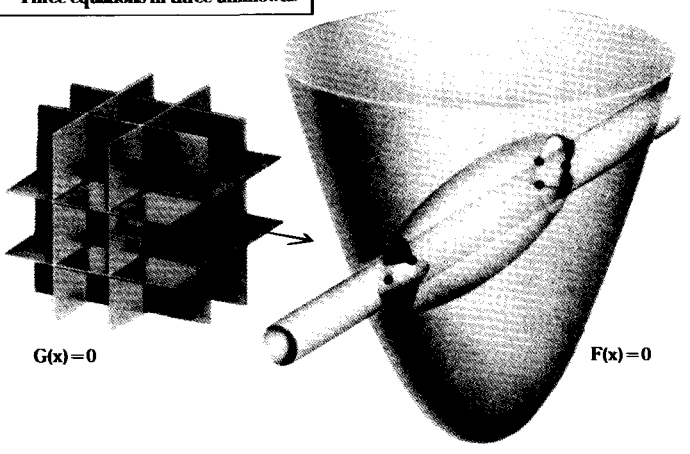
CLASSICALLY difficult non-linear equations—those made up of polynomial expressions—can now be solved with reliability and speed. Recent advances in the mathematics of continuation methods at the General Motors Research Laboratories have practical implications for a wide range of scientific and engineering problems. The immediate application at General Motors is in mechanical design. The new method finds all eight solutions to three quadric equations in a few tenths of a second—fast enough for computer-aided design on a moment-to-moment basis. Algorithms based on this method are critical to the functioning of GMSOLID, an interactive design system which models the geometric characteristics of automotive parts.

Systems of non-linear equations have been solved for many years by "hit or miss" *local* methods. The method developed at General Motors by Dr. Alexander Morgan is distinguished by being *global* and *exhaustive*. Local methods depend on an initial estimate of the solution. They proceed by iterative modifications of this estimate to converge to a solution. However, success is not guaranteed, because there are generally no practical guidelines for making an initial choice that will ensure convergence. Reliability is further compromised when multiple solutions are sought.

Global methods, by contrast, do not require an initial estimate of the solution. The continuation method, as developed by Dr. Morgan, is not only global, but also exhaustive in that, assuming exact arithmetic, it guarantees convergence to all solutions. The convergence proof rests on principles from the area of mathematics called differential topology.

Here is the way continuation works. Suppose we want to solve a system $F(x)=0$. We begin by generating a simpler system $G(x)=0$ which we can both solve and continuously evolve into $F(x)=0$. It is important that we select a G properly, so the process will converge. Dr. Morgan has devised a method for selecting G which gives rapid convergence and reliable computational behavior. He first applied a theorem established by Garcia and

Three equations in three unknowns



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Zangwill to select G. However, the resulting algorithm could not achieve the speed and computational reliability necessary for several applications. Next, he utilized some ideas from algebraic geometry—"homogenous coordinates" and "complex projective space"—to prove a new theorem for selecting G. The result of Dr. Morgan's efforts is a practical numerical method based on solid mathematical principles with innate reliability.

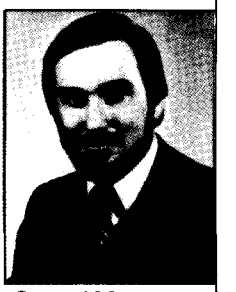
Reliability is the critical element for mathematical methods embedded in large computer programs, because errors may not become evident until after they have ruined a large data structure compiled at great expense and effort. Speed is also important to economical real-time implementation. This method has proved to be reliable and fast in solving problems involving equations up to the sixth degree in three or four variables. However, there are obvious practical limitations on the number of equations and their degree, due to the limited precision of computer arithmetic and computer resource availability.

THE FIGURES illustrate the transition from simple $G(x)=0$ to final $F(x)=0$. In both figures, the "simplicity" of $G(x)=0$ is reflected graphically in its linear structure—seen as lines and planes. The non-linearity of $F(x)=0$ is seen in the curvature of the final shapes in each figure.

In figure 1, the four dots on the left plane represent the set of simultaneous solutions to the system of equations $G(x)=0$. The four dots on the right plane represent the set of simultaneous solutions to the system of equations $F(x)=0$. The dashed lines represent simultaneous solutions to intermediate systems whose graphs would show the evolution from one configuration to the other. With the addition of a third dimension in figure 2, the number of dots representing simultaneous solutions doubles. Representation of the transitional points, as in figure 1, would require a fourth dimension.

"Continuation methods, although well known to mathematicians," says Dr. Morgan, "are not widely used in science and engineering. Acoustics, kinematics and non-linear circuit design are just a few fields that could benefit immediately. I expect to see much greater use of this mathematical tool in the future."

THE MAN BEHIND THE WORK



Dr. Alexander Morgan is a Senior Research Scientist in the Mathematics Department at the General Motors Research Laboratories.

Dr. Morgan received his graduate degrees from Yale University in the field of differential topology. His Ph.D. thesis concerned the geometry of differential manifolds. Prior to joining General Motors in 1978, he taught mathematics at the University of Miami in Florida and worked as an analyst at the Department of Energy's Savannah River Plant in South Carolina.

While serving in the U.S. Army, Dr. Morgan participated in the development and analysis of simulation models at the Strategy and Tactics Analysis Group in Bethesda, Maryland.

Dr. Morgan's current research interests include the qualitative theory of ordinary differential equations and the numerical solution of non-linear equations.

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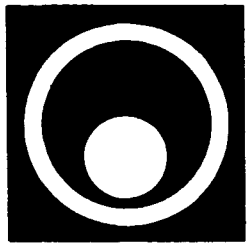

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it is quite possible that this marginal advantage might induce important new investments in the area.

While the Administration insists that it wants to discard the paternalism of the past, it suggests that each country will have to satisfy certain economic and political conditions before obtaining its benefits. Such negotiations cannot help but delay the program and be grossly unequal and paternalistic; undoubtedly, we will seek to extract economic pledges, which would be better sought by international institutions like the International Monetary Fund (IMF), and political conditions, which could very well dissipate the goodwill generated by the program. Rather than authorizing the President to take into account these economic and political factors before designating a beneficiary, Congress should simply legislate a single, uniform trade policy toward the region, much as it did in the generalized tariff preferences in 1974.

The second part of the program is to encourage U.S. investment in the area by applying the ten-percent domestic tax credit to new investments in the Basin. This has two problems. First, by providing a credit for new investments in plant and equipment, it is inherently biased toward encouraging capital-intensive investment whereas the region desperately needs labor-intensive investment. Second, the credit is biased against joint ventures since parent companies can only claim a credit proportionate to their share of the new investment.

Combined with the bilateral investment treaties and increased insurance from the Overseas Private Investment Corporation, the Administration is trying to reduce the political risk and increase the economic incentive to U.S. business to invest in the region. The investment program, however, might create as many problems if it succeeds as if it fails. Almost all of the nations are quite small. Large or numerous foreign investments could translate into disproportionate economic and political power, which in turn could lead to strident nationalistic reactions several years down the road. It would be better for all if U.S. investors would seek joint ventures with local entrepreneurs; this might lead to some added costs and temporary irritations, but it would be the best way to guarantee both investments and good relations in the long term and also help the local private sector. It would be preferable for all Caribbean Basin governments to join in mandating rules for joint ventures, but, as this is unlikely, Congress should do it.

The third element in Reagan's program, increased aid, represented a significant change from the Reagan Administration's own position of a year earlier. Since the 1973 Foreign Assistance

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Act, which was intended to target U.S. aid to the poorest countries in the world (of which only Haiti is in the Basin), those in the U.S. government concerned about the Basin countries had to push uphill just to keep "middle-income countries" like Costa Rica, Panama and Jamaica from being phased out of the program. Nonetheless, the Carter Administration had been able to increase aid to the Caribbean to over $150 million in FY 1980—five times what it had been in FY 1975, and quadruple total aid to Central America to over $250 million in FY 1980.

Before the first consultative meeting with Venezuela, Mexico and Canada in Nassau in July 1981, U.S. Trade Representative William Brock, who coordinated economic policy toward the Basin, told reporters that the Administration's approach would stress private investment and not ask Congress for more aid money.[4] One measure of the evolution of the Administration's approach was that, despite the deepest budget cuts in recent U.S. history, it requested a supplemental of $350 million above the $475 million already budgeted for FY 1982 to the region. The Administration had obviously heeded the advice of friends in the area, including Antiguan Prime Minister Bird, who said that he agreed with the idea "that developing countries must pull themselves up by their own boot straps . . . but first we must have the straps by which to pull up the boot."

The $350-million supplemental, representing only ten percent of the region's total external capital needs in 1981, is insignificant compared to the size of the economic problems; it is insignificant compared to the Marshall Plan ($17 billion of mostly grants over four years); and it is less than ten percent of what the United States is giving each year to Israel and Egypt. But it is significant in the context of the rest of the Reagan budget, and represents nearly a doubling of U.S. aid to the region in a single year. Besides $128 million for the crisis in El Salvador (bringing the total 1982 aid to $232 million for that country), creditable amounts are also requested for democracies in the area whose crises are less immediate but just as important—countries like Costa Rica ($70 million); Honduras ($35 million); Jamaica ($50 million); and the Dominican Republic ($40 million). Equally important is the multi-year commitment for $664 million in FY 1983, although most of this is balance-of-payments support.

The emphasis of the Administration's aid program is to assist the private sector. Most foreign aid programs are unintentionally

[4] Juan DeOnis, "U.S. Caribbean Plan to Stress Private Investment," *The New York Times*, June 14, 1981, p. 23.

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biased toward the public sector since the private sector is weak or nonexistent in most developing countries and only the governments can meet the nation's development needs. In small countries, the public sector grows so much faster than the private sector that public financing becomes tenuous, and governments have to rely increasingly on external support even for routine services. This is an especially acute problem in the Caribbean, where the nations are more like poor city-states, and so the Reagan Administration's emphasis on assisting the private sector makes sense, provided that a proper balance is maintained. This, however, does not appear to be the case. The Reagan Administration is showing the same reluctance as its predecessor to start up bilateral aid programs in the eastern Caribbean where important public projects—like airports, roads, ports—are prerequisites to private investment. And given the needs, the supplemental request of ten million dollars for the private sector is a veritable pittance.

The best way to multiply U.S. aid to the region, however, is by contributing to the international development banks, which loaned $1.6 billion to the region in just the last two years. Unfortunately, the Administration has reduced U.S. contributions to these institutions by 25 percent.

If Congress feels at all reticent about funding the program at the aid levels requested by the Administration, it ought to consider for a moment the magnitude of transfers from the Caribbean Basin to the United States each year. First, Latin America and the Caribbean are now repaying the United States for loans made during the Alliance for Progress at a level that exceeds new loans to the region from the United States. Second, the high interest rates in the United States, the political instability in the region, the strong dollar—all attract large volumes of capital from the region to the United States, estimated to exceed $500 million from Central America alone last year, 50 percent above the supplemental request. Third, most of the billions of dollars from narcotics trafficking passes through Miami banks for investment in the United States. Fourth, increasing numbers of people from the region visit Miami or the Southwest on extravagant shopping sprees. Finally, the region provides the United States with technical assistance at no charge, and at two levels. Some of those who legally migrate to the United States are professionals and managers, who have been trained in their own countries. (This "brain drain" was estimated by the U.N. Conference on Trade and Development to have cost all the developing countries $46 billion since 1961.) Second, each year the region supplies the

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United States with nearly 500,000 low-skilled, inexpensive laborers, who do everything from serving in restaurants to child care.

The remainder of the program is technical assistance and training to the private sector, an expanded Peace Corps program, and additional benefits to Puerto Rico and the Virgin Islands.

The full importance of the CBI can only be understood by analyzing the implications of the CBI for Puerto Rico and the implications of Puerto Rico's development experience for the CBI.[5] By eliminating tariffs and granting tax credits to the rest of the Caribbean, the CBI, in effect, extends much of the economic benefits of investing in Puerto Rico to the rest of the Caribbean. As such, it not only denies to Puerto Rico the competitive advantage it once enjoyed over the rest of the Caribbean, but also places Puerto Rico at a competitive disadvantage since it will still have to adhere to minimum wage laws, environmental statutes, and occupational safety regulations which increase the cost of labor relative to the rest of the Caribbean. Moreover, as Rafael Hernandez Colón, the leader of Puerto Rico's pro-Commonwealth Popular Democractic Party (PDP), points out, the United States is not so much opening its market to Caribbean goods as it is opening Puerto Rico's market, whose agriculture and industry are much more vulnerable to import competition.

The Administration negotiated with Puerto Rican Governor Carlos Romero Barceló, the leader of the statehood party, a number of special arrangements to mitigate the effect of the CBI on Puerto Rico: excise taxes on all imported rum would be transferred to Puerto Rico (and the Virgin Islands); the accelerated cost recovery system and the full domestic investment tax credit will be extended to the islands; and other trade provisions will be modified to give them a slight break over the rest of the Caribbean. Instead of making Puerto Rico a little more like a state in the Union, as the Governor's package does, the PDP would like to obtain some of the attributes of sovereignty which the rest of the Caribbean enjoys, e.g., negotiating bilateral trade agreements, while suspending some of the U.S. laws which put them at a disadvantage.

Puerto Rico's development experience, Operation Bootstrap, which is essentially the same as the CBI, produced neither a miracle nor a basket case; however, a detailed survey of what went wrong and how it could be avoided should be a prerequisite before beginning the CBI. There are three obvious problems which should

[5] I am indebted to Maurice Ferre, Mayor of Miami, for first suggesting this point at a conference on the Caribbean sponsored by Seven Springs Center, March 1982.

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be avoided. First, there is a tremendous need for a population program—even greater for the Caribbean, as the United States is very likely to begin to shut off the valve from that area just at the moment in the development process that large-scale emigration from Puerto Rico began. Second, important public investments in agriculture are essential. During "Bootstrap," Puerto Rico lost more jobs in agriculture than it gained in manufacturing. And third, new investors should be encouraged to look to the nation in which they are investing for raw materials and for markets rather than just to the United States; assembly operations alone not only foster dependence, they also miss valuable development opportunities to multiply investment.

The major Caribbean Basin issues of concern to the Administration—national security, economic development and immigration—are of course beyond the reach of the United States to solve by itself. Therefore, a major thrust of the program ought to be toward gaining regional cooperation; this is the most neglected element of the Administration's approach. Consultations with Mexico, Canada and Venezuela were used more as a multilateral gloss to disguise four separate "initiatives" than as a genuine attempt to develop a single regional program. In part, this is because the other governments are hesitant to identify with the political/military strategy of the Reagan Administration, and in part because the Administration apparently feels that its political leverage in the area is enhanced by a bilateral rather than a multilateral approach, but this is shortsighted.

Canada used the World Bank's Caribbean Group to announce a doubling of its aid to the region; the Reagan Administration has still failed to demonstrate its commitment to the Group, which was established under the World Bank's leadership in 1978 and now includes 31 nations and 15 institutions. It has coordinated and doubled aid to the region—from $467 million in FY 1978 to $1 billion in FY 1980—and has been multilateral at both ends—coordinating aid from donors and encouraging regional cooperation from recipients. In January 1982 the six Central American countries invited the Inter-American Development Bank to chair a consortium group similar to the Caribbean Group.

Also discouraging is the Administration's decision not to promote regional economic integration, an essential objective for the small economies in the Basin, as a part of the program. In attempting to force the Caribbean Development Bank last year to deny a loan to Grenada, the Administration showed an unfortunate readiness to risk weakening and dividing this key develop-

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ment institution. The members of the Bank, who share our lack of sympathy for the undemocratic government in Grenada, still saw a more important principle at stake, and rejected our efforts. The United States ought to literally join that Bank rather than fight it. When the Caribbean Community foreign ministers met in Belize on March 31, 1982, they welcomed the CBI, but with this incident in mind, they also expressed the hope that it wouldn't undermine regional integration.

Our political efforts in Central America also seem directed at dividing the region and excluding Nicaragua, rather than encouraging regional cooperation. If the six nations had additional resources to allocate for regional projects this would be an important incentive for Nicaragua to seek more cooperative relations with its neighbors. While Reagan insisted that we would exclude no one from the CBI, he also hinted that those who have "turned from their American neighbors and their heritage" would first have to return to these traditions before we would welcome them. This is curious language for the 1980s: What is this Caribbean Basin "heritage?" Ironically, in the interest of gaining negotiating room, the State Department might very well find itself in the unusual position of lobbying Congress not to exclude Nicaragua or Grenada.

Ambassador Brock did an exceptional job coordinating and developing this program, but there remain two key tests for it to pass. If the Administration is sincere in its commitment to the program rather than using it as a rationalization for its policy toward El Salvador, it would separate out that part of the program which relates to El Salvador, if it becomes too controversial. Second, the test of the program is not in its announcement but its passage through Congress, free of amendments which protectionists would like to attach to exclude products from the CBI.

The purpose of the CBI is to shore up the economies of the region to withstand the pressures of communist subversion, but the most profound elements in the program are not likely to begin having much of an impact until several years from now—perhaps after the immediate crisis has passed. Even then, it is extremely unlikely that U.S. or any business will invest where terrorism is prevalent. In politically stable areas, however, the CBI can have a very positive impact, particularly if the U.S. economy begins to recover. Investors will be attracted by the guarantee of duty-free access to the U.S. market. In nations where the economies are especially small, such investments can have a dramatic multiplier effect on the entire economy, creating jobs and local entrepreneurs.

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The main problem with the Administration's Caribbean Basin Initiative is that it omits people. While the proposal concentrates on ways to lower barriers and facilitate the movement of goods, services, capital and technology, it fails to take account of the fact that the most dramatic movement within the region with the most far-reaching implications has been by people, and almost all of it occurs independent of government preferences or policies, and indeed much of it is outside the law. The flow of people has been in many directions—Grenadans to Trinidad, Colombians to Venezuela, Guatemalans to Mexico—but by far the largest movement has been from the entire region to the United States.

Before 1960, migration from the Caribbean Basin to the United States was relatively insignificant—about four percent of total immigration to the United States since 1820. During the last two decades, as a result of an exploding population in the region and a more liberal law in the United States permitting the most diverse flow of immigrants in U.S. history, the Caribbean Basin became the largest source of migration: nearly one-third of all legal U.S. immigrants; two-thirds of all political refugees (from 1961 to 1977); and nine-tenths of all undocumented workers—a total of about 8.5 million people.

Even a cursory analysis of the social and demographic, economic and political dynamics of the region suggests that the "push" factors will be stronger over the next two decades than they were over the last two, when they kept pushing even when the U.S. economy stopped pulling. Economic institutions in the area are not vital enough to employ the expanding labor force, which will almost double during this time; nor are political institutions flexible enough to channel the energies of a youthful and demanding population. All this will result in either large numbers of legal and illegal emigrants and refugees or more serious social and political tensions in these countries, or both.

"We have lost control of our borders," complains Attorney General William French Smith. U.S. immigration is "out of control," says Senator Alan Simpson, the Chairman of the Subcommittee on Immigration of the Senate Judiciary Committee. To start to remedy this, on March 17, 1982, after exhaustive hearings, numerous reports, and legislation introduced by two different administrations, Senator Simpson and his counterpart in the House, Representative Romano Mazzoli, introduced the Immigration Reform and Control Act to cope with the problem of

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illegal migration and asylum.[6]

Each year, about one million people are apprehended illegally trying to cross the southern border of the United States. It is estimated that another two and one-half million people elude the border patrol or enter the United States legally and overstay their visas; of these, most return after working for a few months, but approximately 500,000 stay. An estimated 90 percent come from the Caribbean Basin. Although Mexicans account for the largest single group, an increasing percentage come from other nations in the region. To cope with this problem, the Simpson-Mazzoli bill proposes to penalize employers who hire illegals; requires the President to develop and implement within three years a more secure workers' identification system; sets an immigration ceiling of 425,000 a year, excluding refugees; doubles admissions from Canada and Mexico to a combined total of 40,000; and grants permanent resident alien status to persons who entered the United States before January 1, 1978.

A second problem is the dramatic increase in the number of people who arrive in the United States and claim asylum. (In contrast, refugees are screened by U.S. officials outside of the country, and if judged to have a "well-founded fear of being persecuted" are granted refugee status to enter the United States.) The Immigration and Naturalization Service received 3,702 applications for asylum in 1978 and over 100,000 from 53 countries in 1980 (half were from the Cuban boatlift).[7] The process for deciding these cases is lengthy and complex and the Department of Justice requested a simpler and more direct procedure, which Simpson-Mazzoli modified slightly to ensure that the rights of the applicant are respected.

Congress, however, has been reluctant to approve the emergency interdiction authority which the President requested in order to prevent another Mariel-type boatlift, where 125,000 Cubans came to the United States illegally by private boats. This means that unless the Administration is willing to use force against Cuba and against Americans in small craft picking up their relatives, we remain as vulnerable today to another Mariel as when Fidel Castro "suspended" the operation in September 1980. The best

[6] For an excellent discussion of the political barriers to passage of legislation on illegal migration, and a review of the issue through the Reagan Administration's proposal in October 1981, see Sylvia Ann Hewlett, "Coping with Illegal Immigrants," *Foreign Affairs*, Winter 1981/82, pp. 358–78. Also see Michael Teitelbaum, "Right Versus Right: Immigration and Refugee Policy in the United States," *Foreign Affairs*, Fall 1980, pp. 21–59, for a comprehensive treatment of all the related issues.

[7] Statement of Alan C. Nelson, Immigration and Naturalization Service, before the Subcommittee on Immigration of the House Judiciary Committee, October 28, 1981.

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way to deal with this problem is to negotiate an orderly emigration program with Cuba which includes their accepting the return of the 1,800 criminals sent on the Mariel boatlift.

Since the turn of the century, the United States has been preoccupied periodically with immigration issues and with the Caribbean Basin, but almost never at the same time, nor in a way that related one to the other. The 1980s are different. The Reagan Administration has invested a lot of time and effort in developing a new immigration policy and a new economic program for the Caribbean Basin; what remains to be done is to relate the one to the other. If the CBI's principal flaw is that it fails to take into account the immigration issue, a comparable problem of the Simpson-Mazzoli bill and the Administration's immigration proposal is that they do not adequately recognize the extent to which the immigration and asylum issues have become a Caribbean Basin phenomenon and that this will be even truer in the future.

If one or the other, but not both, programs pass, we might well exchange one end of the problem for the other. Though it is a modest program, if we reduced immigration but didn't assist in the development of the Caribbean, the pressures due to increased unemployment and returning workers would generate strong social and political tensions. If we helped in the development of the Caribbean Basin and didn't take steps to curb illegal migration, the flow would doubtless increase, perhaps dramatically. The assumption that more aid and development alleviates the causes of migration is incorrect. Indeed, most development strategies encourage migration by placing priority on industrialization and neglecting agriculture; internal migration to urban areas increases, and this is often just a prelude to international migration. This is especially the case in the Caribbean Basin because of the proximity to the United States.

Even if both programs passed, the underlying problems that prompted both proposals in the first place could very well worsen. The Caribbean Basin Initiative is likely to accelerate urbanization and the decline of agriculture, and, if the Puerto Rican model is an example, the pressures for migration will increase markedly; and yet with the Simpson-Mazzoli law, illegal migration would be reduced. Therefore, we will see increased internal pressures with less opportunity to escape.

It is essential to reexamine both the immigration proposals and the Caribbean Basin Initiative and modify them so that they complement rather than undermine the other. First, the Simpson-Mazzoli bill should be modified to extend the quota preference

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given to Mexico and Canada to the entire Caribbean Basin, in recognition that we are not only a North American nation but also a Caribbean nation. If a temporary workers program is inserted in the bill, as the Administration first proposed, then the entire Basin ought to receive first preference. Most important, while illegal migration must be made truly illegal, this should be phased in gradually with full understanding of its impact on the Basin nations. To take one example, remittances from Mexicans working in the United States are estimated at about three billion dollars or approximately what Mexico earns from tourism; if the valve is shut abruptly, many Mexican villages would have their "safety nets" cut out from under them, and the United States would share with Mexico the social and political consequences.

As to the CBI, the problem becomes one of expanding opportunities in the countries from which most migrants come so that they can cope more effectively with the consequences of a new U.S. immigration law. The development model implicit in the Caribbean Basin Initiative would create more migration problems than it would solve, but the nucleus of the program is sound; it just needs to be modified to mitigate the predictable effects and to multiply its more positive aspects.

To avoid the adverse effects of the Puerto Rican development experience, the countries of the Basin ought to accelerate population planning programs, increase investments in agriculture, particularly in small and medium-sized units, and concentrate on developing backward and forward linkages around new investments. For example, tourist facilities in the Caribbean are importing about 80 percent of their food from the United States; governments ought to encourage investors to use a percentage of their profits to invest in local agriculture and marketing projects that could make the tourist industry more self-sufficient.

The CBI will increase the region's economic dependence on the United States in ways which could eventually lead to political problems. To reduce dependence, the United States ought to encourage joint ventures with local entrepreneurs, promote investment from Europe and Japan, and encourage Mexico and Venezuela to open their markets to the region's products.

Much more emphasis needs to be placed on encouraging labor-intensive investments and identifying and eliminating disincentives in the local and U.S. fiscal systems—like the ten-percent tax credit—which are biased toward capital-intensive investment. In addition, research institutes and manpower training programs in the area and in the United States ought to focus more of their

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work on developing and utilizing labor-intensive technologies. Instead of reducing or eliminating fellowship programs for students from the area, such as the Humphrey North-South Fellowship Program, the Administration ought to be focusing its educational exchange budget on improving the middle and upper management skills of technicians from the area. This is one of the major problems impeding development in Jamaica, for example.

What is most important, however, is to set in motion a genuinely regional negotiating process—not 34 separate negotiations—for discussing and eventually seeking some consensus on the key issues of the Caribbean Basin. This should build on the Basin's subregional institutions—clustered around the Central American Common Market and the Caribbean Community—which are currently languishing, but have been among the most dynamic and productive in the developing world.

Given the obvious need for so many small nations to establish a common market and also the political and cultural difficulty of doing this, it is important for other countries like the United States, Venezuela, Colombia, Mexico, Japan and those in Europe to use their aid, advice and influence to encourage regional integration. Every six months, the finance ministers of the region should meet to discuss an agenda prepared by the secretariats of the subregional institutions. The ministers should try to rejuvenate these institutions, mesh and rationalize national development plans to facilitate complementarity, coordinate services, encourage improvement in regional transportation and communications, promote regional projects, rationalize the migration of people so as to minimize the "brain drain" and permit family reunifications. Perhaps a compact, or a broad regional development plan, could be negotiated in which Washington agreed to increase aid and trade opportunities and reduce the "brain drain" while the Basin countries agreed to invest these resources according to a strategy aimed at both the population and the migration problems.[8]

The United States should also demonstrate its integral relationship with the region by broadening a number of domestic policies to all the countries in the region—for example, the tax deduction on foreign conventions that originally applied to Mexico and Canada and was then extended to Jamaica should be broadened to the entire Caribbean Basin. Similarly, the United States ought

[8] See Robert A. Pastor, "Migration in the Caribbean Basin: The Need for an Approach as Dynamic as the Phenomenon," in M. M. Kritz, ed., *U.S. Immigration: Global Domestic Issues*, Lexington: D. C. Heath, forthcoming, 1983. Research for this chapter was supported by a grant from the Rockefeller Foundation.

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to consider including the region in our agricultural support programs. Finally, it is worth exploring holding a summit of the region's leaders, perhaps every two years, to expedite and complete the negotiations conducted by trade or finance ministers. Such a mechanism could also be used to exchange views on the strategic issues in the region and to plan ahead for dealing with the implications of a changing demographic profile.

VI

We will not face an apocalypse if we fail to solve the problems of unemployment, migration, development and political change and security in the region, but the inability to deal with recurrent crises and long-standing problems in the area will leave us weakened and unsteady. While the Administration might view itself as charging up the San Juan Hill of the Caribbean Basin, we are actually sinking slowly under the cumulative weight of these individual problems.

The CBI, though no panacea, offers a rare opportunity to grasp the problems of the region more effectively, provided that we also replace a penchant for bilateralism with a commitment to a broader regional approach; balance our interest in promoting a private sector with our understanding of the need for a vigorous public sector; and shift the focus of our investments toward labor-intensive industries, toward agriculture, toward an integrated industrial strategy rather than just assembly plants.

We should also shift away from an exclusive preoccupation with anti-communism, confrontation and threats which help our enemies and alienate our friends, and begin to pursue the full range of U.S. humanitarian and economic interests. It is essential to recognize that the struggle against the Left in Central America cannot succeed until power shifts away from the Right, which represents a status quo which is neither equitable nor defensible. A perceived threat to U.S. security in the region has always brought out the worst and the best in the United States—a Bay of Pigs and an Alliance for Progress, intervention in the Dominican Republic and the Panama Canal Treaties. The Reagan Administration's approach to the Caribbean Basin continues this bifurcated legacy. One hopes that, rather than use the CBI to serve a bankrupt political-military strategy in the region, the Administration will apply the imagination and subtlety that went into the development of the CBI to forge a more effective approach to the security challenge.

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C. Fred Bergsten

WHAT TO DO ABOUT THE U.S.-JAPAN ECONOMIC CONFLICT

We are now experiencing the third episode of major economic conflict between the United States and Japan in the last 12 years.

The first of these episodes led to the U.S. import surcharge of August 1971, viewed in Japan as the second of the "Nixon shocks" aimed at that country, and a U.S. threat to invoke the "Trading with the Enemy Act" against its chief Pacific ally. The second episode produced major U.S. pressure on Japan during 1977–78 to boost its domestic growth rate, with lasting damage to Japanese confidence in its American connection and immediate impact on the political career of the then Prime Minister, Takeo Fukuda. The third, current, episode promises to be the nastiest yet—with the United States joined as *demandeur* by the European Community, with racist overtones already creeping into the rhetoric and frustration on both sides of the Pacific, and with obvious spillover onto the reemerging issue of security relations between the two countries.

To be sure, there has been fairly steady tension between the United States and Japan over economic issues ever since Japan emerged as a major industrial power. Japan's amazing success in penetrating an increasing number of key global markets, ranging from the original textiles through shipbuilding and steel to automobiles and high-technology electronics, has won it grudging admiration but also growing hostility as a disruptive force in American economic life and brought repeated charges of "unfair" competition. Its apparent reluctance, or even inability, to expand substantially its imports of manufactured products has produced steady charges that Japan is itself highly protectionist, a "free

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rider" on the open trading system from which it benefits so greatly but within which it seems unwilling to provide others with truly reciprocal opportunities.[1]

These ongoing problems have been the subject of virtually continuous negotiations between the two countries for over two decades. Such discussions have centered sometimes on U.S. demands for Japanese export restraint, sometimes on U.S. demands for Japanese import liberalization, sometimes on U.S. demands for freer access for U.S. investment in Japan. In most cases, they have produced positive, albeit frequently modest, results in terms of both Japan's policies and subsequent economic relations between the countries—results, moreover, which have sufficed to maintain a basically cooperative framework for U.S.-Japanese relations and the respective roles of the two countries in the world economic system.

Nevertheless, the level of U.S.-Japanese tension has escalated severely on three occasions in just over a decade. The first question, therefore, is why it has done so. One answer can be found by tracing the course of the bilateral balance on merchandise trade between the two countries:

— From 1966–67 to 1971–72, the U.S. deficit rose from an annual average of $0.5 billion to an annual average of over $3.5 billion.
— After falling back to an average of about $1.5 billion in 1973–75, the U.S. deficit in 1976–78 rose to an average of over $8 billion.
— After dipping modestly in 1979–80, the U.S. deficit reached a record high of about $16 billion in 1981 and will probably soar to $20–25 billion in 1982 and 1983.

As is well known, bilateral balances in themselves are neither a meaningful indicator of international competitive positions nor a sensible guide for policy. In the U.S.-Japan context, they are in fact more relevant as sources of political leverage for those looking to reduce the imbalance than as substantive problems in their

[1] Manufactured goods constituted less than 23 percent of Japan's total imports in 1980, while the comparable numbers for the six other largest industrial countries ranged from 50 to 75 percent. *World Financial Markets*, Morgan Guaranty Trust Company, January 1982, p. 9. It should be noted, however, that one careful analysis of the issue has suggested that "when the differing quantity and quality of Japanese labor, capital and natural resource endowments and distance from trading partners is properly given its full allowance, then . . . the Japanese share of manufactures in total imports is comparable to European and American experience." See Gary R. Saxonhouse, "Evolving Comparative Advantage of Japan's Imports of Manufactures," Mimeographed paper, University of Michigan, Ann Arbor, 1981, p. 36. It might also be noted that Japan's *exports* are quite small relative to its gross national product, when compared with West Germany and a number of other major countries.

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own right. The changes in the U.S.-Japan bilateral trade account do, however, accurately mirror changes in the global current-account position of each country (including trade in services as well as merchandise). It is these overall balances that present real problems and require remedial action:

— From 1967 through 1972, the global U.S. current account swung from a surplus of over $2 billion to a deficit of about $6 billion, while the Japanese current account moved from modest deficit to a surplus of about $7 billion.

— From 1975 through 1978, the U.S. current account went from a surplus of over $18 billion to a deficit of $14 billion, while Japan shifted from modest deficit to a surplus of more than $16 billion.

— In the current situation, the U.S. current account has been deteriorating for a year (despite the domestic recession and sharp fall in oil imports) and Japan has moved from its huge deficits in 1979–80 back into sizable surplus; the United States is headed into deficit and Japan into surplus at record levels, probably by 1983.

There is thus a clear correlation between the escalation of U.S.-Japanese economic tensions, on the one hand, and sharp swings in the U.S. and Japanese external balances—bilateral and multilateral—on the other. This in turn translates directly into jobs, profits and economic activity within the two countries. It has been estimated that the U.S.-Japanese trade imbalance in 1980 (which was much below current levels) affected over 500,000 U.S. jobs.[2] It should come as no surprise that huge improvements in the Japanese position, and similar deteriorations in that of the United States, rapidly become major causes both of global economic imbalance and deep concern within the United States.

II

Six hypotheses have been put forward to explain U.S.-Japanese trade frictions, including those we are now experiencing:

— Japan's "propensity not to import" keeps out most foreign (including U.S.) products.

— Japan's periodic export surges, particularly in specific high-technology products, benefit "unfairly" from government support and exclusion of foreign competition in those industries.

[2] Thomas O. Bayard, "Preliminary Estimates of the Labor Content of U.S. Merchandise Trade with Japan: 1970–1980," Mimeographed paper, U.S. Department of Labor, December 1981.

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— Whenever Japan's investment level lags, Japan's high rate of savings produces net capital exports from Japan, which in turn require it to run current-account surpluses to achieve overall payments balance.
— Lagging Japanese economic growth in particular periods has retarded Japan's imports and pushed its firms to mount major export offensives.
— Lagging American productivity and high U.S. inflation rates have rendered the United States uncompetitive in Japan (and elsewhere), especially as U.S. firms have not made effective efforts to sell in that market.
— The exchange rates of the yen and/or dollar have periodically become misaligned, promoting Japanese and undermining American price competitiveness in international trade (including with each other).

There is undoubtedly some merit in each of these views, and policy in both countries needs to take each of them into account. Despite the seeming elimination of most of Japan's overt import barriers, it does remain uncommonly difficult to penetrate the Japanese market in a wide range of product lines. Continued efforts are essential to eliminate the remaining overt barriers and to facilitate real access for foreign (including, but certainly not limited to, U.S.) goods in Japan.

Likewise, periodic surges in Japanese exports—be they in textiles, steel, autos or electronic products—have raised the level of tension during several periods of the past decade. Japanese sensitivity to the need to moderate the pace of its competitive surges and diversify its markets, and scrupulous avoidance of both the substance and appearance of excessive official help for its (already very aggressive) exporters, are essential to defuse this component of the overall problem.

During some periods, Japanese investment levels are insufficient to employ within Japan the full level of savings generated within that country. A net export of capital results, which requires an even larger merchandise trade surplus (in light of Japan's structural deficit in services trade) to achieve overall balance. The interests of international equilibrium would thus be served by increased levels of consumption within Japan, and/or higher levels of domestic investment—particularly in housing and other social infrastructure, which have lagged behind the norms in other countries.

American productivity growth has certainly slipped and contributed to the periodic declines in U.S. international competi-

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tiveness. Further, most U.S. firms have devoted inadequate attention to selling effectively in Japan. Every effort must be made to expand the level and efficiency of productive investment in this country, and to give the Japanese market the sustained attention it deserves.

The business cycle has also been a factor. Japan's "growth recession" of 1971, with its slower expansion of domestic demand, contributed to its surpluses at that time. America's lead in the global recovery from the world recession of 1975, and the lagging performance of Japan, were major elements in producing the record U.S. trade and current-account deficits of 1977–78. Better international coordination of at least the mixes of national macroeconomic policies, and perhaps the timing of macroeconomic policy shifts by the major countries, would help avoid the kinds of problems with which we are faced today.

None of these phenomena, however, explain the *periodic* outbursts of U.S.-Japanese economic conflict which, as noted, have occurred on three fairly discrete occasions over the past 12 years.

No one argues that the level of Japan's import barriers or export surges is rising. Nor do they apparently fluctuate in any systematic way over time. To be sure, the degree of U.S. (and European, Korean and others') tolerance for Japanese import barriers and export competition probably fluctuates in response to oscillations in the trade and current-account imbalances of those countries—as well as to their unemployment levels and other domestic variables. Japan's continued import barriers and periodic penetration of new product markets thereby intensify the periodic bursts of tension, and must be addressed steadily and urgently, but are not the primary cause of those tensions.

Nor does the high level of Japanese savings provide an explanation for these periodic bursts. Like other structural factors, this one does not change much over time—except in response to cyclical phenomena, which will be addressed below. Moreover, the thesis does not stand up empirically because Japan has frequently experienced net capital *inflows* and run sizable current-account *deficits* in the postwar period—on a massive scale as recently as 1979–80.

Similarly, the decline in U.S. productivity growth cannot explain the situation. First, that decline has occurred steadily over the past 20 years—both predating the onset of U.S.-Japanese trade problems, and proceeding without any apparent relationship to the ups and downs in U.S.-Japanese (or overall U.S.) trade. Second, *all* of the major industrialized countries, including

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Japan, have suffered from substantial declines in productivity growth over the last decade—and the reduction in Japan has been *greater* than the reduction in the United States.[3] The level of productivity growth remains substantially higher in Japan (and some other countries) than in the United States, but the relative performance of the two economies on this indicator has certainly not changed in Japan's favor throughout the period in question.

Third, and perhaps most telling, U.S. trade competitiveness has recorded some extremely impressive results in the recent past despite the lag in productivity. From 1978 through 1980, U.S. exports rose twice as fast as world trade. The global U.S. current-account position improved, from its trough in early 1978 to its peak in late 1980, by an annual rate of almost $45 billion—despite an increased oil import bill of more than $30 billion. In early 1981, the U.S. share of world exports of manufactured goods was higher than it had been in 1971—completely reversing the losses of the 1970s. It thus seems clear that the United States faces no structural problems in competing in the world economy despite the productivity problem—which, to repeat, must be addressed continuously and effectively because of its pervasive impact on the U.S. economy and quality of life but not because it "explains" any lags in U.S. trade performance.

The fourth possible explanation for U.S.-Japanese economic trouble, differing growth cycles, also cannot "explain" the episodic acceleration of the problem. Of the three instances previously cited, only the 1977–78 episode, which was the least severe of the three, was heightened by the conjuncture of U.S. growth and a Japanese lag. In 1970–71, the United States was experiencing a modest recession—which should have helped its trade balance, despite the reduction in Japanese growth. Currently, the United States is facing its third consecutive year of stagnation while Japan has, at least until very recently, continued to grow at about the same rate relative to the United States (about two percentage points faster) as over the last decade. Hence these cyclical factors have probably *reduced* the level of U.S.-Japanese imbalances during two of the three periods of particular tension in the relationship, although they did add to the severity of the problem in 1977–78.

[3] The growth of total factor productivity in the United States dropped from an annual average of 1.9 percent in 1960–73 to 0.6 percent in 1973–79, while dropping in Japan from 6.6 percent to 1.8 percent between the same two periods. See John Kendrick, "International Comparisons of Recent Productivity Trends," *Contemporary Economic Problems*, American Enterprise Institute, Washington, 1981, pp. 140–41.

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III

Of the six possible causal factors, only exchange rate misalignments were present in each of the three periods and go far to explain the difficulties which have arisen on each occasion. In each instance, the yen became substantially undervalued—dramatically improving Japan's price competitiveness in the world economy. In each instance, the dollar became substantially overvalued—undermining U.S. competitiveness, both in Japan and elsewhere. The huge swings in trade and current-account balances which marked each episode, and which triggered the outbreaks of U.S.-Japan hostility, can be traced primarily to these exchange-rate movements.

By the beginning of the 1970s, the parities of the dollar and yen—which had been set in 1933 and 1949, respectively—were clearly out of line with the underlying economic relationships between those countries and the rest of the world. With the onset of U.S. inflation from the mid-1960s, stemming from the Vietnam War and simultaneous expansion of Great Society programs, the dollar became substantially overvalued. With the dramatic expansion of economic capacity and productivity in Japan, the yen became substantially undervalued.

The results began to accumulate in 1968–69 and accelerated rapidly to the first postwar crisis in U.S.-Japanese economic relations in 1970–71. Japan began to run steady and growing external surpluses. The U.S. current-account balance slipped into deficit for the first time in the postwar period. As noted, Japan's bilateral trade surplus with the United States expanded sevenfold from 1966–67 to 1971–72.

One result was the most intense pressure for trade protection in the United States of the entire postwar period, probably including the present. The Mills bill, which passed the House of Representatives in 1970, would have placed numerical limits on import penetration in virtually every industry. The proposed Burke-Hartke bill, which would have drastically curtailed both U.S. imports and foreign investments, was the source of widespread congressional interest and support during 1971–72. For the first time, the bulk of the pressure was aimed at Japan. Exchange-rate misalignment had entered the picture as a major source of difficulty between the United States and Japan.

There is no need to speculate about whether the exchange rates had become severely misaligned. Despite the historical antipathy of both countries to parity changes, the realignments of 1971 and 1973 devalued the dollar and revalued the yen by over 20 percent.

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It was finally understood by both countries that such changes were essential to preserve an open trading system as well as to avoid the repeated bursts of international monetary instability which were eroding the entire global economic system.

It is less widely recognized that these exchange-rate realignments achieved their objectives, on this as on later occasions, with almost textbook precision. In 1973, even before the onset of the first oil crisis, Japan had returned to global balance and the United States to modest surplus. The bilateral merchandise account, on which the oil shock had little direct impact, returned during 1973–75 to the much lower levels of 1969–70. True adjustment had occurred, and the first major episode of U.S.-Japan economic conflict receded into history.

In 1975–76, however, a renewed exchange-rate misalignment began to develop. The dollar appreciated substantially during that period, though the U.S. current-account surpluses, which triggered the appreciation, were due primarily to the depth of the U.S. recession (especially in 1975), which was far sharper than in Japan or other major industrialized countries. Hence the seeds were sown for a renewed deterioration of the U.S. competitive position, and the record deficits which ensued in 1977–78.

Meanwhile, Japan had committed one of its most serious policy errors of the entire postwar period. Arguing that its renewed current-account surpluses were transitory phenomena, attributable solely to the cyclical situation, Japan intervened massively in the foreign exchange markets throughout 1976 to block significant strengthening of the yen. The result, as I predicted at the time,[4] was a renewed undervaluation of the yen and massive Japanese surpluses in 1977–78—including a fivefold rise in its bilateral trade surplus with the United States.

This juxtaposition of developments produced the second outbreak of major U.S.-Japanese economic tensions, in 1977–78. Again, the main culprit was a severe misalignment in the exchange rates between the two currencies. Again, a correction of that misalignment—which began to occur from early 1977, when the Carter Administration successfully insisted that Japan let the yen rate respond to market forces—was the crucial factor which corrected the situation. By 1979 and 1980, the United States returned once more to global surplus and Japan (hit also by the second oil shock) moved into sizable deficit.

[4] See testimony before the House Banking Committee, June 3, 1976, and the Joint Economic Committee, October 18, 1976. Reprinted in *Managing International Economic Interdependance: Selected Papers of C. Fred Bergsten, 1975–1976,* Lexington, Mass.: D. C. Heath & Co., 1977; as well as "Let's Avoid a Trade War," *Foreign Policy*, Summer 1976.

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For a third time, however, the pendulum swung too far. Beginning in early 1981, the peculiar policy mix of the new U.S. Administration produced record levels of real interest rates, huge movements of capital into the dollar and a dollar probably as overvalued as in the final stages of the Bretton Woods system of fixed exchange rates in the early 1970s.[5]

From its lows of late 1978 to its highs of August 1981 and April 1982, the dollar rose by 35–40 percent against the yen. Meanwhile, Japanese inflation ran about 20 percentage points less than U.S. inflation. The price competitiveness of the United States in world trade, vis-à-vis Japan, thus deteriorated by 50 percent or more within about three years.

A new crisis would inevitably follow—and it did, currently reaching levels of tension not seen since a decade earlier. The global U.S. current account has deteriorated substantially over the past year, despite the deep domestic recession and sharp reduction in oil imports. Indeed, this decline in the external accounts has been as important as the housing and auto slumps in pushing the U.S. economy into its current recession.

On the other side of the Pacific, Japan has moved back into global current-account surplus. The bilateral imbalance in favor of Japan has soared to record levels. All these developments seem likely to become much worse throughout the rest of 1982 and especially into 1983, as dollar overvaluation and yen undervaluation persist; their full effects take up to two years to emerge fully, so the die is already cast for continued major trouble. Hence any serious effort to remedy the U.S.-Japan problem must address the underlying causes of the repeated, and severe, misalignments which periodically emerge between dollar and yen.

Some, perhaps most, of these causes lie with the domestic economic policies of the two countries. Some, as with Japan's intervention to avoid a strong yen in 1976 or the U.S. unwillingness to intervene to brake the excessive appreciation of the dollar in 1981–82, relate directly to the countries' international monetary policies. Some, to an unknown extent, may relate to the functioning of the international monetary system itself. Any serious program for dealing with the current U.S.-Japan impasse must therefore address all of these issues.

IV

Beyond the prescriptions mentioned above for dealing directly with trade flows and underlying economic conditions in both

[5] For details see my "The Costs of Reaganomics," *Foreign Policy*, Fall 1981 and "The Villain is an Overvalued Dollar," *Challenge*, March/April 1982.

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countries, each needs to take several steps to remedy the immediate exchange-rate problem. Together they should help launch a new international initiative to seek improvements in the functioning of the global monetary system that would reduce the prospects for future misalignment, repeating the three such episodes of the past dozen years.

The current misalignment between dollar and yen stems from five basic factors, ranked in what I would judge as their order of importance:

— The U.S. policy mix, whose prospect for continuing huge budget deficits places all the pressure of fighting inflation on monetary policy. The result is stratospheric real interest rates, which attract massive flows of capital toward the dollar and sharply increase its value.

— The Japanese policy mix, which is the opposite of that of the United States. Its emphasis on reducing the level of Japanese budget deficits has left the task of sustaining economic growth to monetary policy, producing interest rates which are low by international standards and thus inducing huge capital outflows from Japan, which reduce the value of the yen.

— Global political uncertainties, ranging from Poland through the Mitterrand election in France to growing fears of another global conflict, which reinforce the "safe haven" appeal of the dollar and thus induce capital flows to the United States. (There is nothing that economic policy can do about this phenomenon.)

— The shift over the past two years in Japan's manipulation of its capital account. When running large current-account deficits in 1979–80, Japan placed tight (administrative) limits on capital outflows and borrowed heavily abroad. Since late 1980 it has largely stopped such manipulation. Indeed, from the end of that year it has significantly liberalized foreign access to the Japanese capital market—a desirable structural step from the long-run point of view, but one which adds to capital outflow from Japan and thus weakens the yen in the short run.

— The unwillingness of the U.S. authorities to intervene directly in the exchange markets, to slow the rise in the value of the dollar, which (in conjunction with Japanese intervention to strengthen the yen) could have kept the misalignment from becoming so severe.[6]

[6] It should also be noted that protectionist rhetoric in the United States (and elsewhere) exacerbates the exchange-rate problem, because it generates *fear* of reduced Japanese exports in

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A multifaceted effort, with new initiatives from both countries, is thus needed to deal with the immediate problem. The objective should be a yen-dollar rate of between 180 and 200 to 1 by the end of 1982.[7] The rate did reach 180 to 1 briefly in late 1978, though that level probably represented a somewhat overvalued yen at the time, and most (including Japanese) analyses suggest that Japan would still be able to compete effectively in international trade with exchange rates in this zone. There should, of course, be complete agreement to resist any renewed weakening of the yen from current levels.

As its major contribution to such an effort, as well as for overwhelming domestic reasons, the United States simply must tighten its fiscal stance over the next several years by reducing the huge budget deficits which are inevitable under current policy, even under very favorable assumptions concerning economic developments in this country. It would be a mistake, in terms of maintaining the battle against inflation, for the Federal Reserve to loosen substantially its restraint on the growth of the money supply. Hence the route to lower interest rates clearly lies through bringing fiscal policy into accord with monetary policy. The path to greater fiscal stability is clear: a stretch-out in the buildup in military expenditures, further judicious cuts in nonmilitary expenditures (including entitlement programs) and primarily a substantial rollback (or offset) of the massive tax cuts voted in 1981.

Japan should also alter its policy mix. Even if U.S. interest rates do begin to come down, higher Japanese rates will almost certainly be needed to achieve the degree of exchange-rate adjustment which is needed. It would not be desirable, however, either for Japan or the world economy, if tighter money in Japan were to promote continued economic stagnation in that country.

One can readily understand, and sympathize with, Japan's desire to reduce its own budget deficit. However, an easier fiscal policy during this (one hopes, temporary) adjustment period appears to be essential to permit the needed tightening on the monetary side. Japan should thus postpone for one year or so the sharp *tightening* of its fiscal policy which is now planned. It should, at a minimum, maintain in the second half of its 1982 fiscal year, via a supplemental budget, the level of government expenditures

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the future and thus weakens the yen in the exchange markets. Ironically, some of those who most fear trade competition from Japan are intensifying their own problems by calling for new import barriers.

[7] Assuming maintenance of Japan's wide array of "voluntary" export restraints. If these VERs were dismantled, the exchange rate of the yen would have to be correspondingly stronger to achieve and maintain equilibrium.

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now planned for the first half of the year, to avoid the substantial reduction in aggregate demand which would occur otherwise. As will be noted below, foreign investors could (and should) be sought for at least a large part of the new government debt that would be created—thus obviating the problem of forcing more such debt on Japanese commercial banks.

In reconsidering the impact of its domestic policies on its international situation, Japan should also adopt a new stimulus program. The Japanese economy has now been quite stagnant for about three quarters, and Japan will need an expansion of domestic demand to offset the weakening of its external balance which would stem from the strengthening of the yen. Moreover, an upsurge of Japanese growth would be the quickest way to reduce Japan's trade and current-account surpluses, would deflect sales of Japanese companies to the domestic market and away from exports, and would by itself push interest rates in the proposed (upward) direction.

On the other hand, these improvements would be no substitute for the needed realignment of competitive positions via the exchange rate—and any resultant weakening of Japan's external balances could actually retard that development. So accelerated growth should be part of the Japanese contribution to any new "restoration of equilibrium" package, but should not substitute for changes in the policy *mix* and other steps to right the currency relationship.

The best way to strengthen the yen substantially is thus for the two countries to make substantial changes in their macroeconomic configurations, which would amount to something of a "swap" between the U.S. and Japanese policy mixes. Unfortunately, however, such changes are unlikely to be adopted soon enough or in sufficient magnitude to achieve the major change in the yen-dollar rate which is needed so urgently.

Therefore, Japan should take a number of temporary measures to strengthen directly the capital account of its balance of payments, as it has done frequently in the past—most recently in 1979–80. These measures should include: sharp administrative limitation on capital outflows by Japanese residents, via a declaration of a moratorium on most categories of such outflows; thorough liberalization of capital inflows; and aggressive efforts to attract foreign investment in yen instruments, including government securities.

Foreign investments by Japanese residents have been running at levels in excess of one billion dollars monthly for about two

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years, and have been increasingly in the two- to three-billion dollar range in recent months. About one-half of the outflow stems from Japanese purchases of foreign securities, and another one-quarter from foreign direct investment by Japanese firms. Despite continued large purchases of Japanese securities by foreigners, the Japanese capital account is in sizable deficit and generates substantial downward pressure on the yen—even with the resumption of a healthy current-account surplus.

There are several ways in which Japan could alter its capital movements in the suggested direction. One, emulating a U.S. initiative of the 1960s, would be to institute an Interest Equalization Tax. Such a tax would raise to (or above) the international level the cost to foreigners of borrowing in Japan. It would thus discourage capital outflows (and provide some additional revenue for the government budget).

In the Japanese context, however, direct administrative action would probably be much more effective than a tax.[8] Most of the Japanese capital outflow is motivated by the desire of Japanese investors to acquire higher yielding assets abroad, rather than by the desire of foreigners to tap the lower borrowing costs available in Japan. Moreover, such a tax would be of no help in attracting capital inflows to Japan. Thus Japan should now declare a moratorium for whatever, presumably temporary, period is needed to strengthen the yen to the needed extent.

The moratorium on capital outflows by Japanese residents should particularly focus on the three largest components thereof: Japanese purchases of foreign securities, loans to foreigners, and capital outflows associated with foreign direct investment. (Direct investment could continue but would have to be financed externally, just as much foreign direct investment by U.S. firms had to be financed abroad during the latter 1960s under the "voluntary capital restraint" program designed to defend the dollar at that time.) Exceptions could be granted for genuine trade credits and flows to developing countries.

On the capital inflow side, as with imports of goods, complete liberalization is the first requirement. In addition, the government of Japan should again borrow abroad aggressively in different currencies, converting the proceeds immediately into yen. In addition to strengthening the yen, such investments—whether by

[8] Partly for the same reason, I am skeptical of the proposal for a Japanese export tax to attack the trade problem directly. Moreover, any such direct disincentive for Japanese exports would tend to *weaken* the yen and thus work in directions opposite to what is needed. The usual arguments against trade protection apply as well, of course.

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official or private foreigners—would provide at least some of the needed financing for the temporarily higher Japanese budget deficits, just as Germany simultaneously financed much of its budget and current-account deficits by borrowing from foreigners in 1979–80.

One further step which could support such a Japanese effort would be an explicit endorsement from its authorities of an international key currency role for the yen. De facto, such a role has been growing rapidly for the yen over the past five years. The Japanese official attitude has remained ambivalent, however, even during the episode in 1979–80 when capital inflows were actively courted. A clear statement of Japanese intent to play a key currency role, which would include total freedom for nonresident capital movements both into and out of Japan, would encourage additional foreign investment in yen assets.

Any such statement would have to be carefully drawn, to avoid both the pitfalls of key currency status itself and being interpreted in the United States as "a slap at the dollar." If one takes the view that key-currency status for the yen is inevitable, however, and particularly if one adds the view that such a role is desirable, then explicit recognition of the situation could be of help both in dealing with the immediate problem and in reducing the structural symmetry cited above regarding the Japanese capital market.

Contrary to my call for temporary but sharp limitations on Japanese capital outflow, the Reagan Administration and others have advocated freer foreign access to the Japanese capital market as a means of dealing with the current problem. To be sure, liberalizing foreign access to the Japanese capital market has structural and long-term merits. The immediate impact, however, has been—and will continue to be—increased capital outflows from Japan and a weakening of the yen.

The reason is that comparable liberalization on the inflow side, regarding foreign investment in Japan, will not offset the effect of liberalization on the outflow side enough to have the desired effect on the value of the yen. This is because the range of yen assets available to foreigners is much more limited than the range of dollar (and other foreign) assets available to Japanese investors. Hence Japanese capital liberalization, even if fully symmetrical both in principle and in application, is likely to produce sizable net capital outflows from Japan for structural reasons. Such liberalization during a period of relatively low Japanese interest

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rates, as at present, is certain to have such an effect.[9]

Because of the views previously expressed by the U.S. Administration and elsewhere, however, the Japanese authorities have legitimate reason to fear that adopting the steps proposed here would be criticized abroad as "simply more short-run manipulation" or as "deviating from market principles." The U.S. and European governments should therefore make clear to Japan that they would publicly welcome such steps, as an important contribution to dealing with a crucial global problem. The United States has such a major national interest in reestablishing dollar-yen equilibrium that, if the Administration remains unwilling to attack the root of the problem by altering its own policy mix, it should at least blunt its ideological fervor for "free markets" long enough to accept (and even encourage) the only action which is available to deal with the problem with sufficient urgency and on an adequate scale.

The final step in dealing with the immediate problem would be a resumption of active exchange-market intervention by the United States, in coordination with the monetary authorities of Japan (and other major countries), to speed the return toward equilibrium once a basic trend in that direction has been established by changes in the national policy mixes and direct approaches to the capital account. Intervention neither could, nor should, be expected to turn exchange rates against their underlying trends. Recent history demonstrates amply, however, that it can effectively alter both the extent and pace of rate movements. It is to be regretted that intervention has not been used over the past year, to limit the extent of dollar overvaluation and yen undervaluation. For the future, at a minimum, it should be used to avoid any further deviations from equilibrium—as it was used by the United States, with strong support from Japan and the West Europeans, as part of the dollar *support* program of November 1978.

V

While the Tokyo Round provided the framework for resolving the U.S.-Japan trade problems of the late 1970s, the absence of

[9] Some U.S. officials have even argued that the yen would *strengthen* if Japan were to further open its capital market to borrowing by foreigners—on the view that, eventually, this would drive up Japanese interest rates. This view is simply wrong: the interest-rate effect would, at best, offset the initial capital outflow; much more likely, it would weaken the yen via its primary effect of triggering heavier capital exports and the Japanese authorities would sterilize any upward pressure on their interest rates anyway.

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either a viable monetary system or a major trade negotiation made it much more difficult to resolve the conflict of the early 1970s. Indeed, the systemic reforms of that period—primarily the move to flexible exchange rates—were triggered more by the U.S.-Japan conflict than any other geographic dimension of the overall international economic problem. Today's conflict between these countries provides the clearest evidence of the need to recommence serious discussions of the viability of current international monetary arrangements while, on the trade side, another major global negotiation will probably be needed as well. Beyond dealing with the immediate issue through bilateral talks and changes in each nation's individual policies, the United States and Japan should thus strongly promote new efforts aimed at systemic change—at least to reduce the prospect of still more outbreaks of major economic conflict between them in the future, as well as for the broader systemic benefits which would result.

The magnitude of the efforts needed to deal with the present problem, like the programs which were needed to deal with the primarily monetary causes of the two earlier episodes of major U.S.-Japanese economic confrontation, provide compelling reminders of the value which would accrue from an international monetary system that would prevent the onset of such extreme misalignments. The system of flexible rates was supposed to do so, of course, but it has obviously failed in that task both in 1976–78 and again at present.

Both the United States and Japan thus have a major interest in systemic reform which would, at a minimum, avoid the repeated development of massive misalignments. This need not—nor indeed could it, even if desirable—imply a return to fixed exchange rates. It could, however, involve systematic surveillance of the exchange-rate constellation with a view to keeping rates within fairly wide "target zones." When rates moved outside those zones, and thus became clearly inconsistent with underlying economic relationships, a series of steps would be triggered to push them back inside: pronouncements of official intent, coordinated intervention and, when necessary, changes in the underlying policies (like today's U.S. and Japanese policy mixes) which contributed to the contemporary misalignments.

In sum, major efforts, at several levels, are needed in both the United States and Japan if the present conflict between them—which will otherwise get much worse over the coming year or so—is to be resolved. At best, some patience will be required because it will take several quarters before the trade balances of the two

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countries begin to change significantly in response to the needed alteration in the yen-dollar rate (or in specific Japanese trade barriers). It is thus essential to move quickly, on all fronts cited here but especially in the financial sphere, to begin the process of constructive adjustment and to head off the restrictive, protectionist, even discriminatory reactions which may otherwise occur.

Instead of adopting all of the proposed measures together, it would of course be possible to proceed one step at a time in the hope that the full panoply would not be needed—or that some exogenous forces would come along and rectify the situation. Unfortunately, however, Japan has in the past failed to get due credit for the steps it *has* been willing to take, in the trade area and elsewhere, because it has strung them out one at a time, and then only when pushed to the wall. By contrast, the successive U.S. balance-of-payments and dollar support packages of the 1960s and 1970s have probably had an impact well beyond their substantive content because they *were* packaged skillfully and sold as comprehensive programs. For once, therefore, Japan should move in an all-embracing manner—with full U.S. support and cooperation—to demonstrate once more that U.S.-Japan economic problems can be resolved effectively within a continuing framework of cooperation between the two countries.

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William W. Kellogg
and Robert Schware

SOCIETY, SCIENCE AND CLIMATE CHANGE

Over the more than four-and-a-half billion years since the formation of the planet Earth, its climate has remained remarkably stable, and has apparently sustained life for about four billion of those years. Throughout that long period the oceans and the atmosphere have maintained an uneasy equilibrium; the sun has been a sufficiently steady source of heat so that the oceans have neither boiled their water away into space nor frozen down to the equator—fates that many other planets and satellites of the solar system have suffered.

Yet even in the recent past there have been dramatic shifts of climate. A mere 18,000 years ago most of Canada and northwestern Europe were covered by great ice sheets several kilometers thick in places (just as Greenland and the Antarctic are now). In fact, such ice ages and the kind of inter-glacial periods that we are in now have alternated approximately every 100,000 years for the last three million years or more.

If we turn the clock back more than 15 million years, however, we find an Earth with hardly any permanent ice at the poles and a generally much warmer climate. That was the condition that prevailed about 90 percent of the time for the past several hundred million years.

These historical facts illustrate the ever-changing character of

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our *natural* climate. Up to now the factors that have determined the climate have been the sun, gradual changes in the Earth's orbit around the sun, and the complex interactions within the planetary "climate system"—the atmosphere, the oceans, the land, the ice of the polar regions, and living things.

Within roughly the last 50 years a new factor has been added—the activities of man himself. A growing accumulation of evidence has persuaded most of the scientific community that human activity may be contributing to a substantial change in the Earth's climate on a global scale. In particular, large-scale consumption of fossil fuels (coal, petroleum and natural gas) is leading to an accumulation of carbon dioxide in the atmosphere, which if continued appears likely to increase the average surface temperature of the Earth by several degrees over the next 50 to 70 years. And the release into the atmosphere of other gases arising from human activity may add significantly to this overall "greenhouse effect."

There are, of course, many gaps in our understanding of how the climate system behaves, and hence many uncertainties in this prediction of the future. But few climatologists still doubt that there will be a gradual trend toward a warmer Earth in the decades ahead, assuming we continue to add enormous quantities of carbon dioxide to the atmosphere. By the same token, we can anticipate shifts in the current patterns of precipitation due to changes in atmospheric circulation, though the details of these shifts are still unclear.

Since this prospective global change is the result of human activities, we could in principle avert or at least defer it if we decided that the likely consequences were "unacceptable." Or we could accept their onset and take measures to mitigate the adverse effects of the change and to capitalize on its beneficial effects.

Four years ago an informative article in these pages undertook to examine what the broad impact of man-induced climate change might be, particularly in terms of food production and ecological systems.[1] At that time the scientific community was more divided on the issue, but a great deal of research has now made some elements of the future picture more clear. There remains an important need for more organized and systematic analysis, especially in translating overall global trends into a more precise picture of what can be expected for the climate of specific regions of the world. But the trend itself is now so unmistakable that it is

[1] Charles F. Cooper, "What Might Man-Induced Climate Change Mean?" *Foreign Affairs*, April 1978, pp. 500–20.

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time to broaden the analysis and to unite the research and judgment not only of physical scientists but of a whole range of disciplines including history, geography, political science and economics.

To that end, the present authors—one a climatologist, the other a political scientist—published in early 1981 a book that sought to present an overview of the situation and the present state of knowledge concerning it.[2] This article seeks to go further and to present, for what may be a wider audience, a more detailed picture of the possible shape of future climate change, followed by the implications of such change for the habitability of specific regions and nations of the earth in terms of three specific subjects: agricultural productivity, ecology, and human health and disease—which lead to a more speculative discussion of possible climate-influenced migration.

Since energy demands and practices lie at the root of the problem, it is then necessary to look especially at the interaction of these factors with progressive climate change, and the degree to which energy conservation and reliance on energy sources that do not produce carbon dioxide might mitigate or postpone the degree of climate change one would now foresee.

Finally, the article suggests some of the possible elements of a "rational" approach by our political, industrial, agricultural and scientific leaders. In the words of Immanuel Kant, "the whole interest of reason, speculative as well as practical, is centered in the three following questions: (1) What can I know? (2) What ought I to do? and (3) What may I hope?"

II

It used to be generally doubted that people, so insignificant in size compared to their planet, could have any real influence on the global environment. But for at least two generations it has been clear that human activity has significantly altered the climate of our large cities and the regions downwind, and that we have aided the spread of deserts and decimated large parts of the forests that used to cover vast areas of both the temperate zones and the tropics. Such actions have altered the heat and water balance on a regional scale. And now we are influencing the climate of the Earth on a truly global scale.

Burning fossil fuels converts carbon that has been locked in the

[2] William W. Kellogg and Robert Schware, *Climate Change and Society: Consequences of Increasing Atmospheric Carbon Dioxide*, Boulder, Colorado: Westview Press, 1981.

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Earth for tens of millions of years to carbon dioxide and water vapor. The result has been an increase of about 20 percent in the carbon dioxide content of the atmosphere since the start of the Industrial Revolution, most of it occurring in this century. Whereas the atmospheric fraction of carbon dioxide is estimated to have been approximately 280 parts per million prior to 1900, it is now reaching 340 parts per million, or 0.034 percent by volume.

Since 1900 the release of additional carbon dioxide from fossil fuel burning has risen inexorably. From 1900 to 1973 the average annual rate of increase was roughly four percent, but since that time the rate of increase has slackened to about 2.3 percent per year.[3]

Even if there should be no further increases, present levels of release are bound to deposit a large fraction of the new carbon dioxide in the atmosphere. In aggregate terms, the world was releasing 1.6 billion tons of carbon per year (in the form of carbon dioxide) in 1950, and 5.3 billion tons in 1980.[4] The resulting increase in atmospheric carbon dioxide during that period has averaged one part per million per year. Comparing the additional amount that can be accounted for in the atmosphere to the amount released, the airborne fraction has averaged about 60 percent of the total.[5]

The other 40 percent of the added carbon dioxide must have been taken up mostly by the oceans. The oceans represent a sink for carbon dioxide that is some 60 times larger than the atmosphere; *eventually* almost all of the added carbon dioxide will end up in the oceans. However, the processes of removal from the atmosphere, limited by the rate of mixing of the large volume of deep ocean water with the surface mixed layer only a few hundred meters deep, are extremely slow and gradual, acting over a period of 500 years or more. Several studies have been made of the oceanic uptake and mixing processes and, while there remain a number of uncertainties, it seems likely that in the next 50 to 100

[3] Ralph Rotty, "Distribution and Changes in Industrial Carbon Dioxide Production," paper presented at Scientific Conference on Analysis and Interpretation of Atmospheric CO_2 Data, Bern, Switzerland, September 1981 (hereafter cited as The Bern Scientific Conference). *World Climate Programme Report No. 14*, World Meteorological Organization, Geneva, Switzerland, 1981, pp. 123–34 (hereafter cited as *World Climate Report*).

[4] Kellogg and Schware, *op. cit.*, p. 148; Rotty, *op. cit.*, p. 125.

[5] Wallace S. Broecker, T. Takahashi, H.J. Simpson and T.H. Peng, "Fat of Fossil Fuel Carbon Dioxide and the Global Carbon Dioxide Budget," *Science*, October 1979, pp. 409–18; Graem I. Pearman, P. Hyson and P. Fraser, "The Global Distribution of Atmospheric Carbon Dioxide: Aspects of Observations and Modeling," paper presented at The Bern Scientific Conference, *World Climate Report*, pp. 87–94.

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years the oceans will continue to take up a little less than half of the new carbon dioxide added each year.[6]

One must also take account of the influence on carbon dioxide levels of the Earth's biosphere. Photosynthesis in the plants and trees of the world is a major sink for carbon dioxide; until the last century there was a rough balance between the take-up of carbon dioxide by photosynthesis and its return to the atmosphere by decay or burning. However, the forests of the world, especially those in the tropics that contain 80 to 90 percent of the living biomass, have been cut down rapidly in recent years, with further deforestation in prospect. There now rages a fierce controversy over whether this deforestation may be reducing the significance of the biosphere as a sink for carbon dioxide, and whether it may actually mean that the decay or burning of all that wood constitutes a net source of "new" carbon dioxide entering the atmosphere.

One widely quoted estimate placed the biospheric source as equal to or even larger than the fossil fuel source.[7] It now seems, however, that estimates of current global deforestation were based on too scanty data and were probably exaggerated—though the problem is indeed very serious in some developing countries for other economic and environmental reasons—and that regrowth of forests and the sequestering of carbon in the form of charcoal (which lasts for a very long time) has been underestimated.[8] The matter is still not settled, but we would probably not be making a significant error if we assumed that the oceans were the main sink and that fossil fuel burning was the main source.

This is the past and present situation regarding atmospheric carbon dioxide. Let us now address the question of its future levels and the effects of a continued rise on climate.

III

Just before the turn of this century a prominent American geologist and president of the University of Wisconsin, T.C.

[6] Ulrich Siegenthaler and Hans Oeschger, "Predicting Atmospheric Carbon Dioxide Levels," *Science*, January 1978, pp. 388–95; Charles David Keeling and Robert B. Bacastow, "Impact of Industrial Gases on Climate," in *Energy and Climate*, Geophysics Research Board, National Academy of Sciences, Washington, D.C., 1977, pp. 72–95; Broecker *et al.*, *loc. cit.*

[7] George M. Woodwell, R.H. Whittaker, W.A. Reiners, Gene E. Likens, C.C. Delwich and D.B. Botkin, "The Biota and the World Carbon Budget," *Science*, January 1978, pp. 141–46.

[8] Wolfgang Seiler and Paul J. Crutzen, "Estimates of Gross and Net Fluxes of Carbon Between the Biosphere and the Atmosphere from Biomass Burning," *Climatic Change*, Vol. 2, 1980, pp. 207–47; Richard A. Kerr, "Carbon Budget Not So Out of Whack," *Science*, June 1980, pp. 1358–59; Ulrick Hampicke, "The Role of the Biosphere," in *Interactions of Energy and Climate*, Wilfrid Bach, Jürgen Pankrath and Jill Williams, eds., Dordrecht: Reidel, 1980, pp. 149–68 (hereafter cited as *Interactions*).

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Chamberlain, and an equally prominent Swedish chemist, S. Arrhenius, independently pointed out that carbon dioxide absorbs infrared radiation from the surface of the earth that would otherwise escape to space, and then reradiates some of this infrared energy back downward.[9] They noted that this "greenhouse effect" should raise the temperature at the surface above what it would have been in the absence of the added carbon dioxide (though the analogy to a greenhouse is far from perfect), but no data then existed to quantify the magnitude of such an effect.

For reasons that are hard to understand, this startling hypothesis attracted relatively little attention until the 1960s, when a number of scientists began to develop quantitative theories to explain the way our climate system works. In 1967 Syukuro Manabe and Richard Wetherald of Princeton published an estimate of the change of average surface temperature that would take place with a doubling of carbon dioxide from the assumed pre-1900 level.[10] In this calculation they correctly took into account the very important fact that a warmer atmosphere would hold more water vapor, and that water vapor is another good absorber of infrared radiation.

This estimate has been checked by progressively more sophisticated and complete theoretical models of the climate system developed by Manabe and his colleagues as well as by a number of other groups.[11] The answer remains about the same: doubling of carbon dioxide levels in the atmosphere should produce an average temperature rise of the earth's surface of approximately 3° centigrade, with an estimated uncertainty of plus or minus 1.5°C.[12]

[9] T.C. Chamberlain, "An Attempt to Frame a Working Hypothesis of the Cause of Glacial Epochs on an Atmospheric Basis," *Journal of Geology*, Vol. 7, 1899, p. 545; S. Arrhenius, "The Influence of Carbonic Acid in the Air Upon the Temperature of the Ground," *Philosophical Magazine*, Vol. 41, 1896, p. 237; also his *Lehrbuch der Kosmischen Physik 2*, Leipzig: Hirzel, 1903.

[10] Syukuro Manabe and Richard T. Wetherald, "Thermal Equilibrium of the Atmosphere with a Given Distribution of Relative Humidity," *Journal of the Atmospheric Sciences*, Vol. 24, 1967, pp. 241–59.

[11] Syukuro Manabe and Richard T. Wetherald, "On the Distribution of Climate Change Resulting from an Increase in CO_2 Content of the Atmosphere," *Journal of the Atmospheric Sciences*, Vol. 37, 1980, pp. 99–118; see also their "Influence of Seasonal Variation Upon the Sensitivity of a Climate Model," *Journal of Geophysical Research*, Vol. 86, 1981, pp. 1194–1204; and Syukuro Manabe, Richard T. Wetherald, and Ronald J. Stouffer, "Summer Dryness Due to an Increase of Atmospheric CO_2 Concentration," *Climatic Change*, Vol. 3, 1981, pp. 347–88.

[12] These various studies are reviewed in Kellogg and Schware, *op. cit.*, Appendix B. See also *Carbon Dioxide and Climate: A Scientific Assessment*, Report of Ad Hoc Study Group on Carbon Dioxide and Climate, Woods Hole, Mass., Climate Research Board, National Academy of Sciences, Washington, D.C., 1979. A new Ad Hoc Study Group under the Climate Research Board met in July 1981 and essentially confirmed the main conclusions reached in 1979; its report will appear in 1982.

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It must be emphasized that this estimate of a warming from increased carbon dioxide refers to the average for the globe; regional changes will undoubtedly be different. Both model results and experience with the real atmosphere indicate that the warming in the Arctic will be some three times larger than the average, and in the temperate zone of the Northern Hemisphere, where a large number of the developed countries lie, the change for a carbon dioxide doubling should be 4° to 6°C. In the Southern Hemisphere, because of its relatively larger ocean area and an Antarctic Continent that will initially be much less affected than the Arctic, the warming trend would be smaller than in the Northern Hemisphere. (Other regional differences will be discussed later, especially those concerning rainfall on a warmer Earth.)

These estimates have dealt only with the effect of carbon dioxide release. But carbon dioxide is not the only infrared-absorbing gas that we are adding to the atmosphere. Other products of fossil fuel combustion, notably hydrocarbons, carbon monoxide, and nitric oxide, react photochemically to form ozone and some methane, both of which add to the greenhouse effect. Still another very persistent and infrared-absorbing gas is used as the propellant in aerosol spray cans and as the working fluid in refrigerators—the chlorofluoromethanes (sold under the trade name "Freon"). There is also the added nitrous oxide produced from extensive use of nitrogen fertilizers. A recent estimate of the effect of all these other gases suggests that they have already contributed to the greenhouse effect and that their continued release could increase the temperature rise by half again as much as carbon dioxide alone.[13]

Given the increased concentration of carbon dioxide and other infrared-absorbing gases in the atmosphere that has already been observed, why have we not experienced a global warming by now? Theoretically the greenhouse effect should have caused a warming of about 0.5°C in this century, and yet there was a pronounced global cooling trend between 1940 and 1965. Inevitably this question has been raised, and the apparent contradiction has been invoked by some skeptics as a refutation of the whole concept of the greenhouse effect.

Two sets of studies have now furnished apparently conclusive answers. First, data on the retreat of Antarctic sea ice have demonstrated a clear long-term trend in that area that is consistent

[13] Veerabhadran Ramanathan, "Climate Effects of Anthropogenic Trace Gases," in *Interactions*, pp. 269–80.

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with the expectation of a Southern Hemisphere warming.[14] And second, analyses of other natural influences on global mean surface temperature have revealed sporadic or cyclical factors whose cooling impact apparently more than offset the greenhouse effect in the years that showed the overall cooling trend.[15] These natural influences on climate are primarily major volcanic eruptions, which are known to place enough particles in the stratosphere to attenuate solar radiation for several years at a time, and fluctuations in the total radiation from the sun.[16]

In short, as the fluctuation due to these natural factors (or "climatic noise") has been sorted out, a clear "signal" from increasing carbon dioxide is indeed revealed. While the data do not conclusively prove a warming effect from increased carbon dioxide, the temperature observations over the past 100 years are at least consistent with the notion of the greenhouse effect.

IV

Let us now combine these theoretical calculations of global warming with estimates of the rate of increase of carbon dioxide that may occur over the next 20 to 100 years. Levels of carbon dioxide in the atmosphere are bound to increase under almost any circumstance; the issue of pace and timing is, however, obviously of great importance.

At this point, the uncertainties surrounding future energy demand and supply are such that any projection beyond the year 2000 can be challenged. A reasonable upper limit might be a continued (or resumed) increase in worldwide fossil fuel use at this century's historical rate of four percent per year, at least to the year 2000. Although this rate of increase would be higher than in recent years, it could conceivably take place if there were a major further increase in the use of coal (which releases slightly higher amounts of carbon dioxide per energy unit than oil or natural gas).

A reasonable lower limit might rest on some variation of Amory Lovins' "soft energy path," which assumes a progressive reduction in fossil fuel demand due to conservation and use of renewable

[14] George Kukla and J. Gavin, "Summer Ice and Carbon Dioxide," *Science*, Vol. 214, 1981, pp. 497–503.

[15] James Hansen, D. Johnson, A. Lacis, S. Lebedeff, P. Lee, D. Rind and G. Russell, "Climate Impact of Increasing Atmospheric Carbon Dioxide," *Science*, August 1981, pp. 957–66; Ronald L. Gilliland, "Solar Forcing of Recent Climatic Changes," *Climatic Change* (forthcoming).

[16] R.C. Willson, S. Gulkis, M. Janssen, H.S. Hudson, and G.A. Chapman, "Observation of Solar Irradiance Variability," *Science*, 1981, pp. 700–702.

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energy sources.[17] While it seems unreasonable to expect a sudden shift to such a soft energy path by all countries of the world, it is quite conceivable that there could be a steady decline in the rate of increase of fossil fuel use until at some time in the not-too-distant future the rate of increase would reach zero, and after that the use of fossil fuel would actually decrease with time. Accordingly, the lower limit is based on the present rate of increase dropping progressively to zero in roughly 50 years and becoming negative thereafter. (The assumptions involved in arriving at these upper and lower limits of future fossil fuel use have been discussed in an earlier paper by one of the authors.)[18]

Figure 1, opposite, shows the range of temperature increases that might result from carbon dioxide alone—in terms of global temperatures and temperatures in the Arctic. (The centered trend line at the right of the Figure represents a "best guess" that fossil fuel use would continue to increase at roughly two percent per year in this time frame.) The message is fairly clear: possibly before the year 2000 and in any case before 2020—well short of a doubling of atmospheric carbon dioxide—the world may be on the average warmer than at any time in the past 1,000 years or more—that is, 1°C warmer than now. This "first stage" of climate change would stem from a rise from the present 340 parts per million to an atmospheric carbon dioxide fraction of about 360 to 370 parts per million. (Figure 1 also contains an estimate of the probable effect of carbon dioxide in the present century: the solid line for 1900–1980 reflects observed experience in the Northern Hemisphere, while the dashed line underneath indicates what the actual temperature might have been in the absence of the additional carbon dioxide released in this period.)

While a 1°C average change does not appear at first glance to be very significant, consider first that this change will be amplified toward the poles, and at temperate and high latitudes in the Northern Hemisphere it may be 2° to 3°C. In the temperate zone such a temperature change would correspond to roughly a four degree difference of latitude, or the present mean temperature difference between such pairs of cities as Copenhagen and Paris or Boston and Washington. As the trend continues to a doubling of the pre-1900 level of carbon dioxide—in what might be called

[17] Amory B. Lovins, "Energy Strategy: The Road Not Taken?" *Foreign Affairs*, October 1976, pp. 65–96; see also his *Soft Energy Paths: Toward a Durable Peace*, Friends of the Earth, Cambridge, Mass.: Ballinger, 1977; and for an update of his arguments, "Economically Efficient Energy Futures," in *Interactions*, pp. 1–32.

[18] William W. Kellogg, "Influences of Mankind on Climate," *Annual Reviews of Earth and Planetary Science*, Vol. 7, 1979, pp. 63–92.

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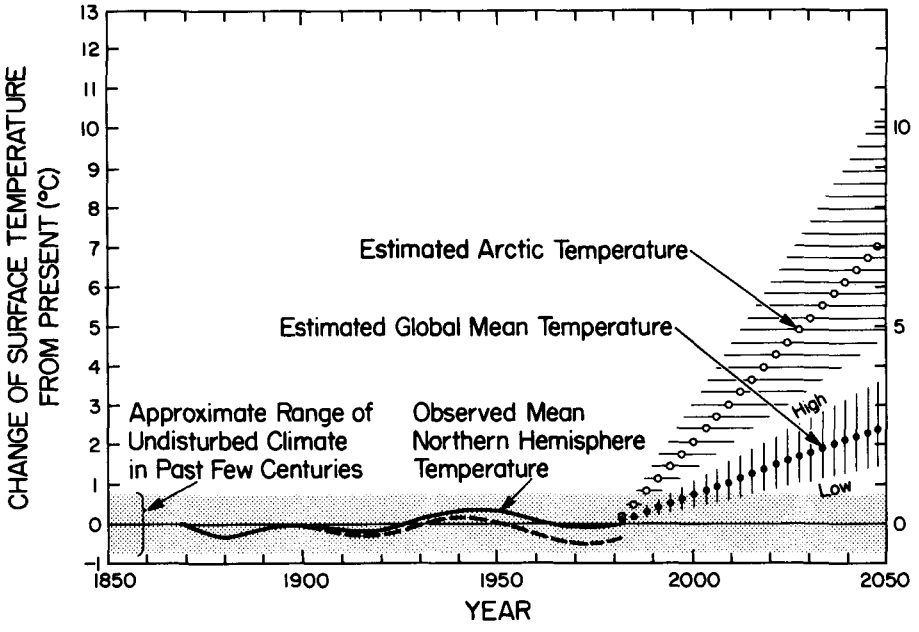

FIGURE 1

ESTIMATES OF PAST AND FUTURE TEMPERATURE VARIATIONS

a "second stage" of climate change—Boston would approach the same mean temperature as Miami has at present, while the southern parts of the United States and Europe would become truly tropical. The world would be returning to the climate of a period at the dawn of recorded history, the Altithermal, some 4,500 to 8,000 years ago, when the world was definitely warmer and regional climates were very different from now.

Changes in solar activity in this interval could hasten the warming, according to a theory based on solar cycles;[19] conversely, a period of intense volcanic activity (or a major nuclear war) could reduce the effect. And recall that the addition of other infrared-absorbing gases could add another 0.5°C in the first stage of change alone.

Figure 1 does omit one factor difficult to quantify. The oceans have a large thermal capacity, and a lag of about a decade is likely as the upper layers of the world's oceans gradually warm up.[20] This oceanic lag is expected to be somewhat shorter in the tropics than at high latitudes; and the central parts of the major

[19] Gilliland, *loc. cit.*

[20] Stephen H. Schneider and Starley L. Thompson, "Atmospheric CO_2 and Climate: Importance of the Transient Response," *Journal of Geophysical Research*, Vol. 86, 1981, pp. 3135–47; Kirk Bryan, F.G. Komro, Syukuro Manabe and M.J. Spelman, "Transient Climate Response to Increasing Atmospheric Carbon Dioxide," *Science*, January 1982, pp. 56–58.

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continents, far removed from the moderating effect of the oceans, should be less affected by the delay than places along the coasts. In any case, this factor can only introduce a modest delay in the warming.

This, then, indicates the time scale for the first stage of the climate change that is anticipated. There is, as noted, good evidence that the change is already taking place, but has been partly disguised by natural fluctuations, so that we are not yet generally aware of it. There will be little doubt about its reality when the change becomes larger than the fluctuations, and this should be by the turn of the century, perhaps sooner.

V

While it is the heat balance of the atmosphere that is directly affected by increasing carbon dioxide and its greenhouse effect, temperature is of course only one feature of weather and climate. *Rainfall* and *evaporation*, together determining *soil moisture*, are even more crucial, especially for growing food.

Though it is convenient to deal with average conditions, the *variability* of climate is a very real factor as well. Those who grow food, livestock and forests are accustomed to gambling on the good years predominating over the bad years. It seems likely that variability of the climate will decrease as the temperate latitudes approach a more "summerlike" condition, but climate theory does not give much guidance on this point.

Let us first look at a rough picture of the present world situation in terms of water-deficient and water-surplus zones. Such a picture is presented in Figure 2, opposite, based on the balance between water supply from precipitation and the water requirements of plant life, which hydrologists refer to as "potential evaporation."[21] Arid and semiarid regions are those where annual precipitation is less than potential evaporation.

It is clear that patterns of natural vegetation and agriculture are greatly influenced by water balance, though soil and temperature also play important roles. The map shows that many developing countries are situated in water-deficient zones, which usually means that agriculture is limited to the rainy season or may be impossible without irrigation. The tropical areas of water surplus tend to be occupied by rain forests, and here cultivation is hindered by the excess water leaching the nutrients from soil that has been cleared of trees.

[21] This Figure is adapted from Malin Falkenmark and Gunnar Lindh, *Water for a Starving World*, translated from Swedish by Roger G. Ranner, Boulder, Colorado: Westview Press, 1976.

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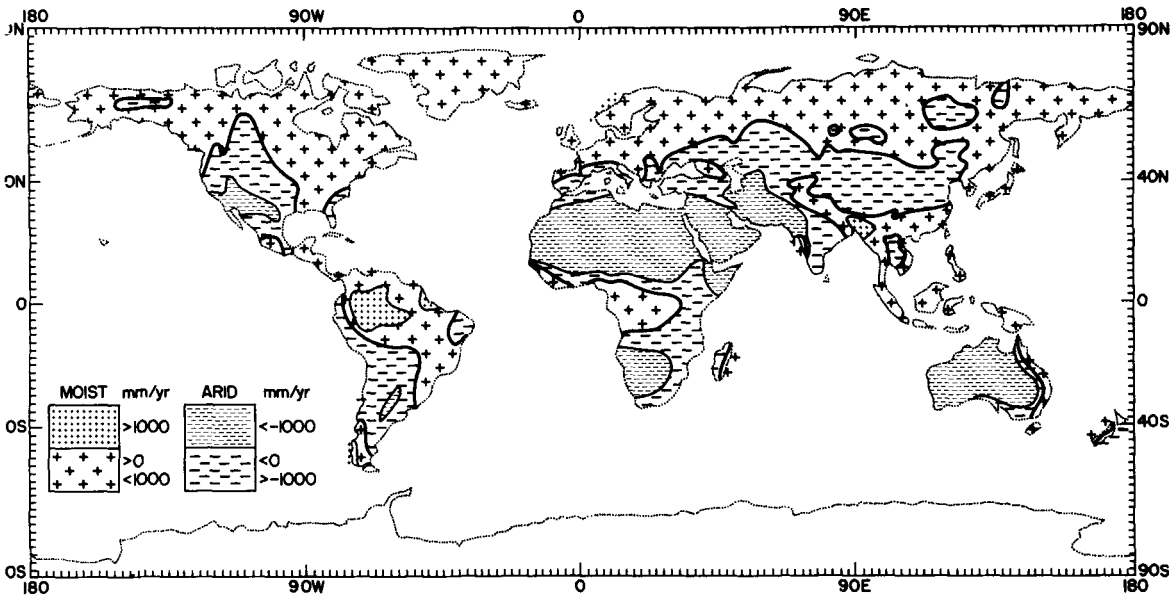

FIGURE 2

PRESENT WATER DEFICIENCY (−) AND WATER SURPLUS (+) AREAS OF THE WORLD

As to how that picture of the present situation might change, theoretical climate system models are not yet adequate to tell us, although they do give some useful hints. We can gain some additional hints by looking at reconstructions of the Altithermal Period when the climate was generally warmer.[22] Then the Sahara was not a desert, but a kind of savanna able to support nomadic tribes with their cattle; North Africa and the Middle East were generally more favorable for agriculture; and the present Rajasthan Desert of northwest India was a region where several large cities prospered (cities now swallowed by sand). Still another set of useful hints comes from studies of particularly warm years or seasons during this century, for which good meteorological records of temperature and rainfall have been kept.[23] From these records we can see how those anomalously warm times differed from the long-term average.

[22] William W. Kellogg, "Global Influences of Mankind on Climate," in *Climatic Change*, John Gribbin, ed., Cambridge: Cambridge University Press, 1978, pp. 205–27; Karl W. Butzer, "Adaptation to Global Environmental Change," *Professional Geographer*, Vol. 32, 1980, pp. 269–78.

[23] Jill Williams, "Anomalies in Temperature and Rainfall During Warm Arctic Seasons as a Guide to the Formulation of Climate Scenarios," *Climatic Change*, Vol. 2, 1979, pp. 249–66; Thomas M.E. Wigley, P.D. Jones and P.M. Kelly, "Scenario for a Warm, High-CO_2 World," *Nature*, Vol. 283, 1979, pp. 17–20.

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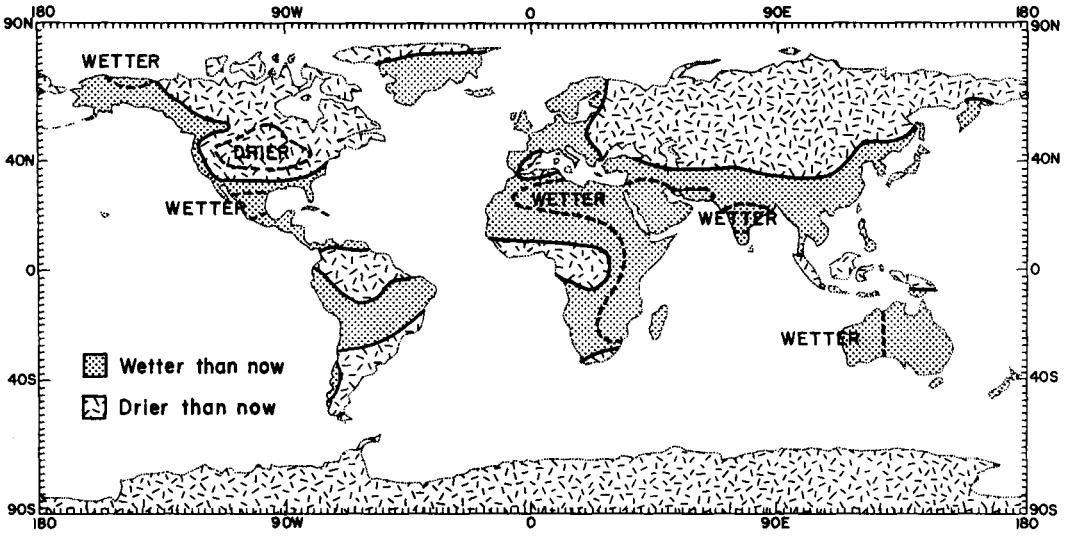

FIGURE 3

POSSIBLE SOIL MOISTURE PATTERNS ON A WARMER EARTH

NOTE: The sub-areas where the words "wetter" or "drier" appear are areas where this change is indicated by at least two of the three sources for the map given in the text. The wider areas designated as wetter or drier are predicted on the basis of only one of these sources.

These three sources have been used in constructing Figure 3 above.[24] The process was somewhat subjective and also relied on some general reasoning based on concepts of how the large-scale circulation patterns would change with a global warming and a decrease in the temperature difference between the equator and the poles. (For example, it is fairly clear that the monsoon circulation that determines so much of the climate of Asia would be stronger and more regular, and that the storm tracks would on the average move poleward.) The resulting map should not be taken as a *prediction* of what will happen, but rather a scenario of the future climate describing what *could* happen.

The implications of this scenario are fascinating. It suggests that large areas of Africa, the Middle East and India, as well as a substantial portion of central China, might cease to be water-deficient areas, or at least be much less water-deficient. On the other hand, there would probably be much drier conditions in the central section of the North American continent, and drier conditions virtually throughout the central and northern areas of the Soviet Union, so that it would be harder to grow wheat, corn, barley and other major food crops in parts of what are now the "food basket" areas of North America and the Soviet Union.

[24] Details on its construction will be found in Kellogg and Schware, *op. cit.*, Appendix C.

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In short, the climate scenario shown in Figure 3 is a useful way to illustrate some of the shifts of rainfall and soil moisture that may occur as the world gradually becomes warmer, but one must be very careful when drawing conclusions from it. After all, climate change is but one of a great many changes that will be taking place in the decades ahead. Poverty, loss of arable soil and tropical forests, condition of water supplies, distribution of natural resources, population growth, and so forth are all factors that must be considered when assessing impacts of climate change, as we shall see in the next section.

Finally, a discussion of the many aspects of a global warming would not be complete without mentioning the possibility of a future rise in sea level—which has been prominently featured by the media. Studies have suggested that the ice sheets of Greenland and the Antarctic have been shrinking slightly in the past 100 years as the Earth grew slightly warmer, contributing to a rise of five to ten centimeters in sea level. In the case of the West Antarctic ice sheet, there is a possibility that it could actually begin to partially disintegrate with the much greater prospective warming of the Polar regions and the neighboring areas.

While a straightforward melting of these enormous masses of ice would probably take many thousands of years, it has been pointed out that most of the West Antarctic ice sheet (and portions of the larger one of the East Antarctic) rests on bedrock well below sea level. Thus, warmer ocean water could work its way under the ice sheet, causing it to relinquish its frozen hold on the bedrock, and to begin sliding toward the ocean, gradually disintegrating and then melting much more rapidly through fuller exposure to the water. A rise of five to seven meters in sea level would result if the entire West Antarctic ice sheet disintegrated, since this ice sheet now rises several kilometers above sea level.[25]

This could make the migrations of the historic past seem almost insignificant by comparison. However, it must be emphasized that glaciologists do not agree on the timescale for such an event. Whether the West Antarctic ice sheet would disintegrate in a matter of centuries or millennia following a major warming is still being debated, but in any case few, if any, experts now claim that the time involved could be less than about 200 years.[26]

[25] Terence Hughes, "Is the West Antarctic Ice Sheet Disintegrating?" *Journal of Geophysical Research*, Vol. 78, 1973, pp. 7889–910; John H.Mercer, "West Antarctic Ice Sheet and CO_2 Greenhouse Effect: A Threat of Disaster," *Nature*, Vol. 271, 1978, pp. 321–25.

[26] Charles R. Bentley, "The Polar Regions as a Concern for the Future," *The Polar Regions and Climatic Change*, Polar Research Board, National Academy of Sciences, Washington, D.C., 1982, Appendix C.

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It is very likely that Arctic and Antarctic floating sea ice will become less extensive as the warming progresses, a trend that is already evident in the Southern Hemisphere.[27] The Arctic Ocean is now mostly covered the entire year by floating ice, but early in the next century this ocean may become ice-free in summer.[28] However, in contrast to the massive ice sheets that rest on land, a melting of sea ice would have no influence at all on sea level. It is nevertheless significant that, so far as can be determined from studies of Arctic Ocean bottom sediments, that ocean has never been completely free of its ice pack for some three million years—the change that we are talking about may thus be larger than any previous one in that entire period.

VI

Carbon dioxide-induced climatic change will affect many aspects of society. Let us look at what seem likely to be three crucial effects—on food production, global and regional ecology, and human health, disease, and comfort, also referring briefly to the question of possible migrations of populations.

Agricultural Production

The climate changes suggested in Figures 1 and 3 are bound to have a substantial influence on agriculture. Broadly speaking, it would appear that hotter and drier conditions in key growing areas of the temperate zone would have a negative effect (or at least require drastic adjustments), while in the more tropical areas that may become less arid, the effect would be favorable. But such generalizations are too simple: much would depend on the pace of change, specific offsetting effects, opportunities for agricultural migration within a given region, and new technology to cushion the impact.

The primary cause of the global warming, increasing carbon dioxide, is of itself an asset to plants. Operators of greenhouses have known for years that raising the level of carbon dioxide in the air of a greenhouse will cause most plants to grow faster and larger (provided they are not limited by water or nutrients). Furthermore they use water more efficiently, which will favor agriculture in semiarid areas. In the range of 100 to 300 parts per million above the present carbon dioxide concentration (which we can anticipate in the next century), the potential for increased

[27] Kukla and Gavin, *loc. cit.*

[28] Claire L. Parkinson and William W. Kellogg, "Arctic Sea Ice Decay Simulated for a CO_2-Induced Temperature Rise," *Climatic Change*, Vol. 2, 1979, pp. 149–62.

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photosynthesis is about 0.5 percent for each one percent increase in carbon dioxide.[29] Thus, even by the turn of this century the increase in average growing rate may exceed five percent from this cause alone.

There have been many studies of the effects of temperature during the growing season, the length of the growing season, and soil moisture. Of these three factors, soil moisture is by far the most critical in the semiarid regions of the subtropics, whereas temperature and length of growing season are more often determining factors in agricultural regions at temperate latitudes. As a rough rule of thumb, a 1°C increase in mean summertime temperature corresponds to a ten-day lengthening of the growing season, which can clearly make a large difference in Canada, Northern Europe and the Soviet Union.

As a longer growing season opened up new areas, might present patterns of agriculture simply migrate? One careful study estimates that the U.S. corn belt would shift 175 kilometers northeastward for each degree (centigrade) of increase in temperature, if precipitation remained unchanged.[30] This is due to the fact that a peculiar situation exists in our Midwest wherein the gradient of summertime temperature is northward and the gradient of rainfall is westward. In the Soviet Union and Europe both gradients are northward, so the corresponding shift would also be in that direction.

However, there are clear limits to such shifts of agricultural areas. First, rainfall and soil moisture patterns would often change as well—the predicted drying of the American Middle West, for example—so that a given pattern of agriculture could no longer be practiced even by moving poleward within a region.

Second, types of soil may impose a serious restriction on the migration of agricultural practices. Soil type is determined by climate and plant growth over periods of many centuries. In the humid tropics, for example, rainfall far exceeds evaporation, and basic minerals are slowly leached out of the soil, making it acidic and (when the growing vegetation layer is removed by deforestation or erosion) unproductive for sustained agriculture. In most of

[29] Sylvan H. Wittwer, "Carbon Dioxide and Climatic Change: An Agricultural Perspective," *Journal of Soil and Water Conservation*, Vol. 35, 1980, pp. 116–20; Edgar Lemon, "The Land's Response to More Carbon Dioxide," in *The Fate of Fossil Fuel CO_2 in the Oceans*, Neil R. Anderson and Alexander Malahoff, eds., New York: Plenum, 1976, pp. 97–130; Norman J. Rosenberg, "The Increasing CO_2 Concentration in the Atmosphere and the Implication on Agricultural Productivity: I. Effects on Photosynthesis, Transpiration, and Water Use Efficiency," *Climatic Change*, Vol. 3, 1981, pp. 265–80.

[30] James E. Newman, "Climate Change Impacts on the Growing Season of the North American Corn Belt," *Biometeorology*, Vol. 7, 1980, pp. 128–42.

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the Arctic, on the other hand, where evaporation exceeds precipitation, calcium carbonate and other basic minerals accumulate in the soil, making it alkaline. The best agricultural soils are those with just enough leaching to remove the excess basic salts but not enough to remove the essential minerals from the clay. An example is the prairie soil of the midwestern United States, among the best in the world.[31]

Thus, in Canada the scope for northward migration of grain production with warmer temperatures is limited to the Peace River Valley of northern Alberta and a few other scattered localities where good soils exist but the growing season is currently too short. Longer growing seasons in Alaska could greatly increase its agricultural potential. In the Soviet Union there may be opportunities to extend agriculture northward, particularly in the alluvial soils of the Yakutian plain along the Lena River—provided that rainfall or irrigation water is adequate. The same opportunities apparently do not exist in Scandinavia because of poor soils.[32]

In the present agricultural areas of the temperate Northern Hemisphere, agricultural technology can provide farmers with a flexibility in the choice of crops and agricultural methods that could go a long way toward mitigating the effects of a climate change and adapting to it.[33] Development of water resources and water conservation measures can also soften the change to drier conditions, especially in view of the slowness with which the change will probably take place. A case in point is the massive program being undertaken in the Soviet Union to redirect the waters of the major rivers now flowing northward to the Arctic Ocean southward to the semiarid regions of central Asia—particularly in Kazakhstan and Uzbekistan.

Weighing all these conflicting factors, it appears likely that the net impact of climate change would still be negative in some important producing areas of the Soviet Union, China, Canada and the United States. At the very least, there could be substantial migration and a heavy burden of adjustment measures. Conversely, the climate changes suggested by Figure 3 would permit much more effective agriculture in the areas of Africa, the Middle East and parts of China that become moister. But again, one

[31] F. Kenneth Hare, "The Planetary Environment: Fragile or Sturdy?" *Geographical Journal*, November 1980, pp. 379–95; James E. Newman, "Climatic Influences on Agricultural Lands," *American Society of Land Resource Appraisers*, Vol. 32, 1968, pp. 39–45.

[32] Cooper, *op. cit.*, pp. 512–13.

[33] Wittwer, *loc. cit.*; Richard A. Warrick and Martyn J. Bowden, "The Changing Impacts of Droughts in the Great Plains," in *The Great Plains: Perspectives and Prospects*, M.P. Lawson and M.E. Baker, eds., Lincoln, Nebraska: University of Nebraska Press, 1981, pp. 110–40.

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would confront the fact that present deserts or near-deserts would in some areas take a long time to become suitable for agriculture or grazing. The Sahara and the Rajasthan Desert of India, for example, would probably not revert for a long period of time to the more favorable soil conditions they apparently enjoyed in the Altithermal Period, and the transformation of these deserts could only be gradual.

From a global standpoint, future drier and warmer conditions could occur in areas where roughly 50 percent of the world's wheat and 55 percent of the world's maize (corn) was grown in 1978. On the other hand, approximately 86 percent of the world's rice and 50 percent of the world's barley could be affected by wetter soil conditions, according to our climate scenario. Under generally warmer and wetter conditions, rice yields may increase in the major rice-producing countries of China, India, Indonesia, Bangladesh, Thailand and Japan. Rice production there may be encouraged by both more rainfall and longer growing seasons, the latter permitting multiple cropping in the vast areas of the temperate latitudes where only one rice crop can now be grown in the course of a summer.[34]

Equally important to food production may be the changing climate's effects on the frequency and severity of pest outbreaks. Currently, losses in agriculture and forestry due to pests are extremely high: roughly 37 percent for agriculture and 25 percent for forestry. One authoritative study is gloomy about the future:

> Insect pest populations will generally increase with an increase in temperature. Some insect pests, for example, produce 500 to 2000 offspring per female and go through a generation in 2 to 4 weeks. With a warmer and longer growing season these pests may pass through an additional 1 to 3 generations. The exponential increase of some insect pest populations under the new favorable environment could seriously increase insect losses and make their control more difficult.[35]

With a global warming we can also expect changes in the frequency and geographical distribution of plant disease epidemics.[36] It is important to expand the studies of climatic effects on

[34] Cooper, *op. cit.*, p. 515.

[35] David Pimentel and M. Pimentel, "Dimensions of the World Food Problem and Losses to Pests," in *World Food, Pest Losses, and the Environment*, D. Pimentel, ed., Boulder: Westview Press, 1978, pp. 1–16. A recent authoritative study has calculated that if only 20 percent of the current pest-caused losses in rice production could be prevented, nearly 180 million more people could have a sufficient diet. National Academy of Sciences, *Food and Nutrition Study*, Washington, D. C., 1977.

[36] For example, a recent study demonstrates that the severity of an important winter wheat disease in the Pacific Northwest has increased since 1961 as a result of higher winter temperatures. Stella Melugin Coakly, "Climate Variability in the Pacific Northwest and its Effects on Stripe Rust Disease of Winter Wheat," *Climatic Change*, Vol. 2, 1979, pp. 33–51.

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plant disease in order to reduce losses when the expected global surface warming occurs.

In short, the future effects of climate change could result in major readjustments in global patterns of food production. While we cannot predict with confidence just how these readjustments will take place until we have a clearer picture of the regional shifts of soil moisture sketched in Figure 3, that scenario illustrates the dimensions of the changes in store for the world—including a possible migration of the present "bread baskets" of North America and Eurasia. On balance, it appears that the world's total ability to grow food may not suffer in the long run, provided the appropriate agricultural technology is applied and planning for improved water resource management can keep ahead of the change. But the long-range challenge to agriculture must be recognized and faced now.

Global Ecology

Agriculture for food and fiber production, discussed in the previous section, differs from the less-managed ecosystems of the world, such as grasslands, savannas, forests, tundra, alpine lands and deserts. A major difference is that agricultural systems usually depend on a few specialized plant species, whereas a natural ecosystem, or "biome," represents a diversity of plants and animals that interact and live in a natural balance—that is, until the balance is disturbed by humans or by climate change.

Mankind has already significantly influenced many biomes. Forests are managed for their wood products (in some places mismanaged and devastated), rangelands are grazed by cattle and thus modified, and semi-deserts are formed where overgrazing or bad agricultural practices have caused vegetation and topsoil to disappear.[37]

There are few, if any, ecosystems remaining in the world that are free from human influence. Among the biomes still close to their natural states are the tropical forests that have not yet been exploited and the unpopulated tundra areas in the Arctic.

How drastically and immediately a shift in climate affects a particular biome depends in part on whether the change is fast or slow relative to the life span of the dominant species.[38] From this standpoint, climate change due to increasing carbon dioxide would take place on an intermediate time scale, allowing some

[37] Julius A. Oguntoyinbo and Richard S. Odingo, "Climate Variability and Land Use: An African Perspective," in *Proceedings of the World Climate Conference*, WMO No. 537, World Meterological Organization, Geneva, 1979, pp. 552–80 (hereafter cited as *Proceedings*).

[38] Bert Bolin, "Global Ecology and Man," in *Proceedings*, pp. 27–50.

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time for adjustment of the biome. But ultimately the new warmer climate regime will probably last for many centuries, compelling long-term ecosystem responses; the effects of long-lasting climate change are likely to be dramatic and permanent.[39]

An obvious historical example is the transition in northern Africa from a grassland that sustained wild animals, and perhaps herds of cattle, to what is now the Sahara Desert—a change that seems to have occurred rather rapidly around 5,000 years ago.[40] In a somewhat more recent and less spectacular case, about 3,500 years ago the boundary between trees and the Arctic tundra in northcentral Canada abruptly migrated southward about 300 to 400 kilometers, probably in response to increasing cold and more frequent forest fires that accompanied a general drying of the region and destroyed spruce forests.[41]

Among the specific ecological situations likely to be affected by future climate change are the two biomes still close to their natural states. The untouched tropical forests will be affected chiefly by new rainfall patterns, while the Arctic tundra biome will be influenced by both precipitation and temperature.

Basically, forests require relatively high precipitation.[42] They consume more water than other kinds of vegetation, and transfer it back to the air through their leaves by evapotranspiration. In semiarid areas, where water is precious (see Figure 2), trees are extremely susceptible to small decreases in precipitation. Furthermore, many kinds of trees are vulnerable to insect pests, and infestations are markedly influenced by temperature and precipitation. Hence, these factors suggest that climatic change, especially changes in precipitation, will have a significant effect on the distribution of areas favorable for specific kinds of forests.

The deforestation that is taking place in some parts of the world, mostly in certain developing countries of the tropics and subtropics, is cause for concern because of its short-term environmental effect on the countries involved; even more serious in the long run must be the loss of soil and the extinction of many

[39] Hubert H. Lamb, *Climates: Present, Past, and Future*, Vols. 1 and 2, London: Methuen, 1977; I.P. Gerasimov, "Climates of Past Geological Epochs," in *Proceedings*, pp. 25–45.

[40] Hermann Flohn and Sharon Nicholson, "Climatic Fluctuations of the Arid Belts of the 'Old World' Since the Last Glacial Maximum: Possible Causes and Future Implications," in *Paleoecology of Africa and the Surrounding Islands*, Vol. 12, M. Sarnthein, E. Seibold and R. Rognon, eds., Rotterdam: A.A. Balkema, 1980, pp. 3–21.

[41] Harvey Nichols, *Palynological and Paleoclimatic Study of the Late Quaternary Displacement of the Boreal Forest-Tundra Ecotone in Keewatin and Mackenzie, N.W.T., Canada*, INSTAAR Occasional Paper No. 15, Institute for Arctic and Alpine Research, University of Colorado, Boulder, 1975.

[42] Albert Baumgartner, "Climatic Variability and Forestry," in *Proceedings*, pp. 581–607.

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natural species as entire forest biomes are destroyed. The search for new generic strains of plants for agriculture relies heavily on the reservoir of natural species, or global "gene pool," and once a part of it is lost it is irreplaceable. In arresting the present dangerous trends, a higher level of carbon dioxide in the atmosphere and more rainfall in the subtropics—both of which enhance forest growth and allow it to spread into areas that are now too arid—could at least be helpful.

For the frozen tundra of the Arctic Basin, a warming induced by increased carbon dioxide would also have a very large influence. This biome is characterized by permafrost, which accounts for its low-growing vegetation, lack of trees, and poor drainage in summer. If a warming trend occurred in the tundra, the permafrost would slowly retreat, allowing trees to grow further poleward, as occurred during the Altithermal Period in Canada.

Tropical forests and Arctic tundra are two cases where the impact of climate change seems fairly predictable now. In other situations the effects will become predictable only as the shape of regional climates becomes clearer. On an overall basis, while many biomes will be displaced or modified by climate changes in the next 50 to 100 years, it is well to note that steadily expanding human activities and pressures will probably have an ecological impact rivaling that of climate change in this period.

Human Health and Disease

Climate relates to disease in many ways, perhaps most directly in that precipitation, humidity and temperature critically affect breeding conditions, growth rates, and biological diversity of many insect and bacterial species, including parasites affecting humans. This is particularly true of the serious disease agents now disproportionately concentrated in the poor and developing countries of the world, countries that tend to be in the tropics or subtropics. For example, the hookworm disease that afflicts an estimated 500 million people in tropical and subtropical regions depends on a hookworm larva whose life cycle is directly related to temperature and soil moisture.

As with agricultural pests, climate change will affect disease agents in a variety of other ways as well, and the precise effects will be distinctive for each species.[43] About all that can be said

[43] *Environmental and Societal Consequences of a Possible CO_2-Induced Climate Change: A Research Agenda*, prepared by the American Association for the Advancement of Science for the Department of Energy Carbon Dioxide Effects Research and Assessment Program, Rept. No. DOE/EV-10019-01, Washington, D.C., 1980.

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with assurance is that the climate changes depicted in Figures 1 and 3 will probably complicate substantially the task of bringing under control the major diseases that still ravage millions in the poorer countries of the world.

A more general question is how effectively human beings will perform in changed climatic conditions. This question may not be particularly serious in areas already tropical, since the changes in temperature will be less there and since the change from semiarid to water-sufficient conditions, predicted for many tropical and subtropical areas, may improve the conditions for life and activity. But in the present temperate zones, especially in the cooler areas that would experience a sharp warming trend—for example, Boston becoming like Washington, and eventually like Miami—there is a real possibility that labor productivity will be affected, not to mention leisure activities or, at a more basic if intangible level, those behavior characteristics that distinguish "northerners" from "southerners" in almost every temperate zone country, from China to Italy to the United States. Studies lend support to the common belief that very high or very low temperature and humidity can negatively influence the capacity for physical performance, personal motivation and social behavior.[44]

Viewed from a historical perspective, there is the celebrated thesis of Arnold Toynbee's *A Study of History* that societies tend to flourish when they are subjected to just the right degree of challenge from their environment, the interplay theory of "challenge and response." Whereas tropical and frigid climates have often stunted the growth of what he called true "civilizations," the temperate latitudes have generally been more favorable to ever new responses and challenges of the environment. If this were the case, then over a period of time (decades to centuries) we might see the most thriving societies appearing further from the equator.

There is no real way to assess what would happen to people who stayed where they were in the face of the kind of changes suggested by Figures 1 and 3. In the most advanced countries the change might be cushioned (as present differentials in living space temperature between U.S. regions are) by the extended use of air conditioning in the summer—while reduced rigors from winter weather might improve productivity. One of the few serious studies in this area concludes that Western workers accustomed to

[44] Wolfgang Weihe, "Climate, Health, and Disease," in *Proceedings*, pp. 313–68; H. McIlvaine Parsons, "Temperature and Motivation," *Transactions of the American Society of Heating, Refrigeration and Air Conditioning Engineers*, Vol. 85, Part 1, 1979, pp.768–74.

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temperate climates experience a loss of output of two to four percent for every rise in temperature of one degree centigrade—but this is surely only a rough guess as to what would happen after adaptation over a long period of time.[45]

A related question is whether the kind and degree of climate change suggested in this article could trigger substantial population migrations, both within countries and from one country to another. One obvious motivation for such migrations would be to get away from areas that could no longer produce food as they do now, or to move to areas where climate change was favorable for this purpose, and some of these we have examined above. But another motivation for migration could be simply a desire to seek as nearly the same climate as possible to what one now has—a subjective feeling as to one's "comfort zone."

Historically, the former factor—usually in the form of famine—has triggered many massive migrations. Egypt in the third millennium B.C., Mycenae around 1230 B.C., central Germany in the period 1360-1450, Iceland in the Middle Ages, and (within the vivid family memories of many Americans) the Irish potato famine of 1845–51—all are examples of climate factors contributing to famine conditions that led to wholesale migration, loss of life, or both together.[46] The degree and permanence of the climate changes suggested in Figures 1 and 3 may be greater than in any one of these cases; on the other hand, the adaptive capacity of societies today, at least in the temperate zones, is much greater than in early historical periods—one has only to note that whereas the Dust Bowl conditions of the 1930s drove hundreds of thousands of farmers from Kansas, Texas and Oklahoma, later serious droughts in the same regions have not caused nearly so much disruption.[47]

But when one combines food production and comfort factors, one still has the sense that large-scale migrations will be entirely possible, and that some of these may seek to cross present national boundaries, in a generally northward direction in the Northern Hemisphere. Canada coping with a possible American migration of several million people looks like one of the more easily resolved

[45] Paul Harrison, "The Curse of the Tropics," *New Scientist*, Vol. 84, 1977, pp. 602–604.

[46] Karl W. Butzer, "Civilizations: Organisms or Systems?" *American Scientist*, September-October 1980, pp. 517–23; R. Carpenter, *Discontinuity in Greek Civilization*, Cambridge: Cambridge University Press, 1966; Reid A. Bryson and T.J. Murray, *Climates of Hunger*, Madison: University of Wisconsin Press, 1977; Hubert H. Lamb, *loc. cit.*; Gustav Utterström, "Climatic Fluctuations and Population Problems in Early Modern History," *The Scandinavian Economic History Review*, Vol. 3, 1955, pp. 3–47.

[47] Warrick and Bowden, *loc. cit.*; M.L. Parry, *Climate Change, Agriculture and Settlement*, Polkeston: Dawson, 1978.

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cases from a political standpoint alone. One can visualize other major movements of population as a result of the changed climate situation—migrations away from areas that become too dry and hot for food production, as well as repopulation of deserts and savannas previously crippled by drought and ecological deterioration. Such population shifts may be loaded with potential for political and social disruption, as evidenced by current migrations to bulging cities all around the world already overburdened by problems of unemployment, housing, transportation, sanitation and food distribution.

Nevertheless, the picture of population migrations triggered by continual climatic fluctuations or gradual changes should not be perceived as totally gloomy. Indeed, there are numerous bright instances of societies and civilizations adapting to droughts lasting more than several years and to shifting floodplain environments. The survival of the Tuareg herders and Hausa farmers in the semiarid Sahel in precolonial times, and the long course of Egyptian civilization, exemplify the dynamism of adaptive systems.[48]

Added together, carbon dioxide-induced climatic impacts may have major effects on human activities, but some aspects of the projected climatic changes could be beneficial. Put simply, future carbon dioxide-induced climatic impacts will cut both ways—to weal and to woe. There will inevitably be both "winners" and "losers."

Finally, a word is necessary on the implications of the possible melting of the West Antarctic ice sheet and Arctic sea ice. The latter, as we have seen, would have no direct influence on sea level, and, if the experts are right, anything like a full disintegration of the Antarctic ice sheet is at least 200 years off. But when and if it does come the effects would be devastating for the 30 percent of the world's population that now lives within about 50 kilometers of an ocean or sea.[49]

VII

Turning now to the question of energy supply and demand in the context of future climate change, the first and rather obvious point is that it is the world's insatiable quest for ever-increasing energy *supply* that is the fundamental cause of the rise in carbon dioxide. At the same time the resulting climate change, when it

[48] Butzer, *loc. cit.*

[49] Stephen H. Schneider and Robert S. Chen, "Carbon Dioxide Warming and Coastline Flooding: Physical Factors and Climatic Impact," *Annual Reviews of Energy*, Vol. 5, 1980, pp. 107–40.

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occurs, will influence the *demand* for various forms of energy.

On the *supply* side, the world has been depending largely on fossil fuel for its energy—in 1975 only about eight percent of global primary energy was derived from other sources: nuclear, hydropower and solar sources combined.[50] As we have noted, the rate of increase of fossil fuel consumption has slackened in the past eight years to a little over two percent per year—having averaged about four percent per year from about 1900 to 1973.

Most energy projections assume that the world will not return to the more rapid earlier growth rate. Figure 1 has shown reasonable "high" and "low" estimates, with a not unreasonable "best guess" being a continued increase of around two percent persisting well into the next century. The actual course that will be followed will depend on a number of factors that are very difficult to assess, including efforts to conserve energy and use it more efficiently, willingness to invest more heavily in nuclear and renewable energy alternatives, the rate of depletion of oil and gas and ability to substitute coal, and so forth. Whether the community of nations will be able to take any purposeful action to control and limit fossil fuel use to slow down or avert the climate change is also an important consideration discussed in the next section.

Energy supplies might be bolstered and fossil fuel use reduced if renewable energy resources were extensively developed; there are persuasive reasons for pushing such developments as fast as possible in any event. But some renewable sources may be more vulnerable to vagaries of climate than the present energy sources. Solar power is degraded on cloudy days, hydroelectric power suffers when there are droughts, and wind power depends on good winds. Furthermore, these are not independent weather factors. For example, the period of drought on the West Coast of the United States in 1976–77 and 1977–78 was also a period of generally weak winds, since both were determined by a more or less stationary "blocking pattern" in the pressure field. Clearly, climate variability and change should be taken into account when planning for such renewable energy resources.

Turning now to energy *demand* and the effects of a climate change on it, the outlook for the future is also difficult to assess. Energy projections generally assume that per capita energy demand will rise somewhat more in the developing countries than in the industrialized ones, and whether this will in fact take place will probably depend more on such factors as the economic

[50] *The Global 2000 Report to the President, Vol. 1*, Council on Environmental Quality with the U.S. Department of State, U.S. Superintendent of Documents, Washington, D.C., 1980, p. 31.

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squeeze on their financial capacities and the future price of fossil fuels than on factors associated with climate change.

In the developed world, however, the effect of climate change on energy demand could be substantial. Most of the industrialized countries are located in temperate latitudes, and the greatest single use of energy in these areas is for space heating and cooling. Although only 18 percent of the total U.S. annual energy demand is for space heating, in Canada the figure is 29 percent and in Denmark 50 percent.[51] This demand for heating energy depends very markedly on the construction of the buildings, of course, and more attention is usually given to good insulation in colder climates.

Roughly speaking, demand for space heating is greatest in areas of the world with mean annual temperatures between 2°C and 18°C, and this includes most of the industrial areas of the world. At warmer temperatures the demand per capita is less, virtually ceasing at 18°C mean temperature; and so few people live poleward of the 2°C mean temperature isotherm that total energy demand for heating there is also negligible.[52]

In a carbon dioxide-induced climate warming, this band between 2°C and 18°C would generally shift poleward, and as we have noted, the average change in temperate areas would be an increase of 2°C in the first stage of a global warming (depicted in Figure 1), and perhaps 4°C in a second stage associated with a doubling of present atmospheric carbon-dioxide levels. How this might affect heating demand is at least suggested by recent U.S. experience in the opposite direction: in the unusually cold 1976–77 winter in the eastern United States a 1.8°C drop in seasonally averaged temperatures created 22 percent more heating requirements than in preceding years.

Climate change may also affect energy demand by creating additional needs to pump water for irrigation. In areas where Figure 3 suggests declines in rainfall, there would probably be not only a greater need for energy to handle irrigation projects already installed, but also a substantial expansion in such projects. Again there is a recent U.S. example from the 1976–77 experience, when the rainy season in California was much drier than usual and water allotments to agriculture were reduced by 60 percent. (In a normal year 80 percent of the developed fresh water supply in California is used for crops.) Consequently, farmers were forced to

[51] Gordon A. McKay and T. Allsopp, "The Role of Climate in Affecting Energy Demand/Supply," in *Interactions*, pp. 53–72.

[52] *Ibid.*, p. 56.

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replace the deficit by pumping up more ground water for irrigation, and the additional energy required for this operation was about one billion kilowatt hours in California alone.[53]

And we might note that in 1976–77 the cold in the eastern part of the United States and the drought in the western part were caused by the same large-scale general circulation: a persistent ridge of high pressure in the west and a trough of low pressure in the east. This kind of shift of the semipermanent ridges and troughs could occur again; we can expect other shifts to occur during long-term climate changes that would have major influences on regional climate.

The above examples of climatic impacts on U.S. energy demand were all due to extreme, short-lived anomalies that caused temporary hardships and unexpected costs; there are equally good examples from other countries. Although we have some experience in coping with such temporary climate variations, dealing with a more gradual, long-term change is likely to be quite different. Given enough time to prepare, agriculture and industry probably can adapt by modifying their practices. Furthermore, rising costs of energy will tend to reduce demand; people will be more willing to conserve. In other words, economic and social forces as well as climate will shape future energy demand and supply.

To summarize, a global warming will ease the requirements for space heating in temperate latitudes in winter but increase requirements for cooling, shifting the demand from the direct use of fuel to electricity. Patterns of energy use will shift but not move uniformly poleward; there will be marked regional differences in the temperature and precipitation changes due to related changes in atmospheric circulation. When our climate scenarios have been refined somewhat, the net effects on energy demand could be estimated, since the relationships between energy use and seasonal "degree days" have been reasonably well established. However, the move to conservation and use of renewable energy resources, especially solar heating, would have to be taken into account, as well as future attitudes regarding nuclear energy.

The direction that future energy policy will take in each country seems impossible to predict. The choice between the "soft energy path" and expansion of centralized (mostly nuclear) high-technology energy sources has been hotly debated for several years.[54]

[53] *Ibid.*, p. 66.

[54] See, for example, Amory B. Lovins, *loc. cit.*; and *Energy in a Finite World, Vol. I: Paths to a Sustainable Future*, Program Leader Wolf Häfele, International Institute for Applied Systems Analysis, Laxenburg, Austria and Cambridge, Mass.: Ballinger, 1980.

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In the end the choice in most countries will probably not be based on the systems analyses of the technical experts, but rather dictated by shorter-term goals and constraints and economic realities. In the debate so far, the issue of climate change from fossil fuel use has been given passing attention and lip service, but it has hardly ever been advanced as a crucial "selling point." This issue could become more central when (and if) climate change has been perceived as an inescapable reality and its potential impacts are better understood.

VIII

Clearly, the strategies or policies that we may adopt to deal with the carbon dioxide problem depend in large part on the way we perceive it as well as on the adequacy of the national and international decision-making processes to address it. Even if the future could be predicted and precise estimates of future carbon dioxide-induced damage could be made, efforts to control fossil fuel use and carbon dioxide emissions on a worldwide basis would face extremely tough political opposition. Both consumers and powerful vested interests in the fossil fuel production and use industry would oppose any moves to curtail the availability of this conventional and convenient source of energy. Given the great uncertainties in our scientific predictions of future temperature and precipitation changes, any concerted worldwide agreement to limit fossil fuel use seems out of the question for some time to come.[55]

And the same negative conclusion almost certainly applies to any early attempt to act on a number of proposals that have been advanced for removing carbon dioxide from the stack gases of fossil fuel-fired power plants and sequestering these billions of tons in the deep ocean or depleted oil and gas fields. While there is no doubt that this is feasible from a purely technical standpoint, the most efficient means presently available for scrubbing the carbon dioxide out of stack gases requires nearly 50 percent of the combustion energy of the fuel, and that is only the first step.[56] Even a regional project of this sort—a dumping facility off the coast of Spain has been suggested, drawing on power plants of

[55] Klaus M. Meyer-Abich, "Socioeconomic Impacts of CO_2-Induced Climatic Changes and the Comparative Chances of Alternative Political Responses: Prevention, Compensation, and Adaptation," *Climatic Change*, Vol. 2, 1980, pp. 373–86; open letter to Philip Handler, President, National Academy of Sciences from Thomas C. Schelling, Chairman, Ad Hoc Panel on Economic and Social Aspects of Carbon Dioxide Increase, Climate Research Board, Washington, D.C., April 18, 1980.

[56] Charles F. Baes, Jr., S.E. Beall and D.W. Lee, "The Collection, Disposal, and Storage of Carbon Dioxide," in *Interactions*, pp. 495–519.

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Western Europe—would be a mammoth undertaking, and the economic hurdles and political obstacles seem virtually insurmountable, at least under present conditions.

Thus, the action focus in the short and medium term should be on strategies for arriving at a clearer picture of the future, and for mitigating or delaying the adverse effects of prospective climate changes and taking advantage of their favorable aspects. Such strategies should aim to be effective over a wide range of eventualities, since the problem areas often cannot be pinpointed as yet. Moreover, we must be realistic about which courses will be acceptable and feasible.

What, then, ought we to do? Three types of strategies seem to make clear sense:

— Strategies that lead to improved choices: examples are the organization of environmental monitoring and warning systems designed for early detection and attribution of carbon dioxide-induced climate change, provision of improved climate data and the knowledge of their application (especially to developing countries).

— Strategies that help to slow the increase of carbon dioxide: examples are energy conservation, adoption of renewable (non-fossil fuel) energy sources, increased use of nuclear energy, and reforestation (which protects soil and also takes carbon dioxide out of the atmosphere, but probably could not remove enough to counteract the current production rate).

— Strategies that increase resilience to climate change: examples of such measures are the application of agricultural technology, protection of arable soil, improvement of water management, and maintenance of adequate global food reserves.

It should come as no surprise that these measures seem like "conventional wisdom"—they are good ideas, all of which have already been acted on to a greater or lesser degree. They will help us to cope with the inevitable short-term vagaries of the climate as well as a longer-term climate change, and will make our food and energy systems more reliable. Hence, these measures should be adopted in any case. The issue of carbon dioxide-induced climate change may serve as a stimulus to employ them sooner.

The drafters of the World Climate Programme, adopted by the World Meteorological Organization in 1979, recognized the need for such actions, and the component programs for World Data and Applications are designed to meet the needs of developing

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countries in the first area above.[57] Others must probably be adopted at national or regional levels, such as application of agricultural technology, reforestation and protection of arable soils, and improved water management.

Significant non-economic factors include an educated public and its leaders, together with long-term planners. An important aspect of this is the ability and willingness of planners to recognize the signals of coming change and to interpret those signals for the institutes they serve as well as the general populace. If the scope of such anticipatory actions is to be remotely adequate to the likely extent of climate change, the burden could be substantial. While many of the actions can best be undertaken at the national level, regional cooperation could make an enormous difference, and the development of the technology and forecasting systems clearly calls for the widest possible forms of international cooperation, making use of existing U.N. organizations in particular.

IX

But if concerted worldwide action programs can only be limited for the immediate future, it is not too early to speculate on some of the implications of the climate changes now foreseen, for the relations among nations and possibly for the development of relevant principles of international law and shared responsibility.

Here a crucial element of the problem is that a small number of industrialized countries are likely to remain the principal sources of the additional carbon dioxide, which in turn is the major agent of climate change. Between 1950 and 1976 the United States, the Soviet Union, China, the United Kingdom, West Germany and Japan were the largest carbon dioxide-producing countries.[58] These and similar nations are likely to continue for many decades to be the major cumulative contributors of carbon dioxide to the atmosphere, and this fact alone suggests that developed nations will bear much of the responsibility for the new climatic regimes, should they occur.

One aspect of this is that the carbon dioxide/climate problem could become a significant source of controversy, both between one developed nation or region and another, and between the developed nations as a group and any developing nations which find that the changes have adversely affected them. The current

[57] *Outline Plan and Basis for the World Climate Programme, 1980–1983*, WMO No. 540, World Meteorological Organization, Geneva.

[58] Robert Schware, "Energy Development and Major Carbon Dioxide Producers: Modelling the Cumulative Responsibility for Future Climate Change," in *Energy and Ecological Modelling*, The International Society for Ecological Modelling, Copenhagen, Denmark (forthcoming).

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controversy between Canada and the United States over measures to control "acid rain" suggests what might be in store on a much wider scale. As yet there is no international mechanism to consider a given country's responsibility for the climate change, let alone to set carbon dioxide standards, establish control measures, and enforce what some would assert as a legal claim for having affected a nation's climate adversely. Liability claims, sanctions, and indemnity awards are probably unworkable ways to resolve carbon dioxide-related problems such as disruptions in trade, environmental damage, and population relocations. By the time such claims are brought to court, settled, and (if possible) enforced within a future international legal framework, the damage will probably have already occurred. Hence we should not expect much of international law when it comes to resolving cases that deal with adverse climatic impacts suffered by regions or nations and attributed to increased atmospheric carbon dioxide.

But legal remedies are only a corner of the problem. As climate change unfolds, and is perceived to be the result predominantly of the energy practices of the major industrialized countries, there could be strains and controversies highly disruptive to present patterns of close relationship and alliance, as well as to the overall structure of global international cooperation. Will the major nations responsible for most carbon dioxide release show awareness of the problem and make moves to mitigate it? Will they wish to avoid potentially serious damage to their international standing and influence?

Finally, the time is almost bound to come—if not in the next decade, then surely by the turn of the century—when it will be both possible and necessary to take a much harder look at potential national and international measures to reduce fossil fuel consumption. The "first stage" of climate change postulated in this article is an average global temperature change of "only" 1°C, associated with an increase in atmospheric carbon dioxide from the present 340 parts per million to a level of 360 to 370 parts per million. Figure 1 suggests that this may happen in roughly the next 20 to 30 years. And even if concerted programs were adopted immediately, this scale of change would probably still occur within at most 40 years.

But the pace of change to a "second stage" of climate change—a doubling of the carbon dioxide fraction to a level of, say, 560 parts per million—producing an average global temperature change of 2 to 3°C (with a change of 4 to 6°C in temperate zones and even greater changes at the Poles)—is something the world

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may see strong reason to at least postpone for as long as possible. If one looks at the impact of continued growth rates in fossil fuel consumption over a period of 50 to 100 years, the effects are indeed striking, and are depicted for illustrative purposes in Figure 4 below.[59]

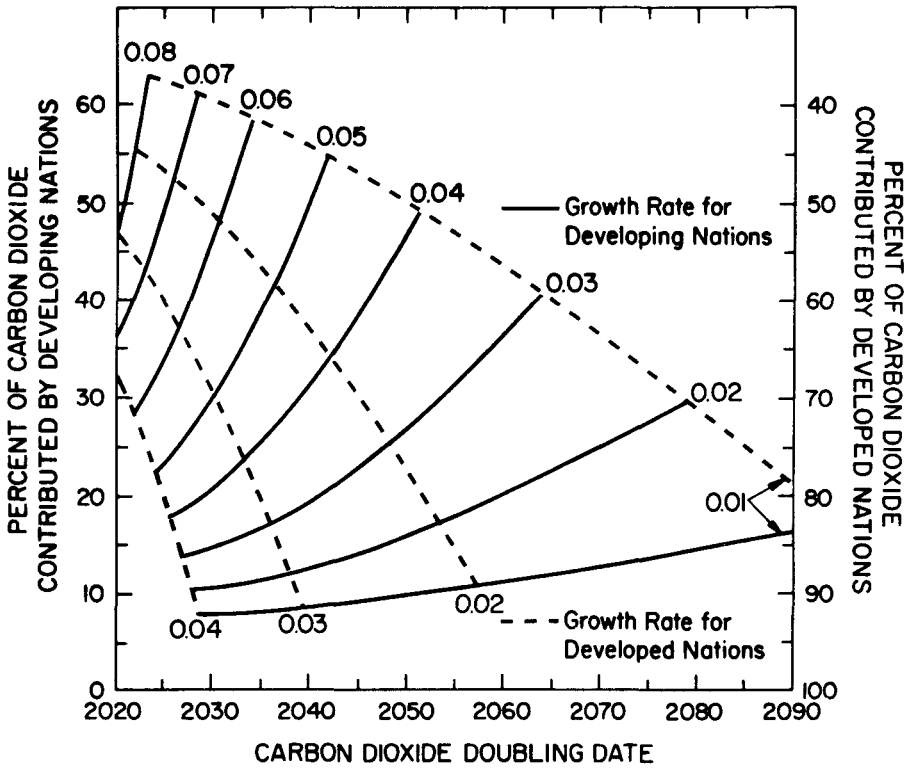

FIGURE 4

EFFECT ON CARBON DIOXIDE LEVELS OF POSSIBLE INCREASE RATES IN FOSSIL FUEL CONSUMPTION IN DEVELOPED AND DEVELOPING NATIONS

The first thing to note in Figure 4 is the very great impact of alternative future growth rates in the developed countries. If their consumption of fossil fuels were to resume the four-percent growth rate of the 1900–73 period, the doubling would still take place not later than 2030 on *any* assumption of the growth rate for developing nations—while if it were to grow at a three-percent rate, the doubling would come roughly between 2030 and 2040.

[59] This Figure (included in our book, *op. cit.*, p. 128) was invented by Edward Friedman while a visitor to the National Center for Atmospheric Research, 1980; see also his report, *Man-Induced Climate Change: Policy Implications*, MTR-80W328, The Mitre Corporation, McLean, Virginia, 1981, pp. 2–96.

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The date of doubling of the carbon dioxide fraction is somewhat less sensitive to assumed growth rates for fossil fuel consumption in the developing nations. Yet even for these countries, if the growth rate were to be as high as six percent annually—which happens to be close to the World Bank's latest projection for the next ten years—the doubling should take place shortly after 2030, with even as little as a one-percent growth rate for developed countries.

Moreover, if we look at possible lower growth rates, the differences are still substantial. If we assume growth rates of approximately two and three percent per year in developed and developing countries, respectively, the time of doubling would be approximately 2050, while rates of one and two percent per year for developed and developing countries, respectively, would defer the date of doubling to 2080. And if fossil fuel consumption could be levelled off completely or reduced, the advent of the "second stage" would of course be further postponed.

So it is clear that "low growth" or "no growth" scenarios for fossil fuel consumption would substantially delay the "second stage" impact of a carbon dioxide-induced warming trend. The time available and needed for policymakers to consider implications of the climate change in a deliberate, purposeful policy design would then be extended considerably. It may even be sufficient to enable the transition in energy production to non-fossil sources to take place without massive adjustments toward non-fossil supply expansion or lower economic growth.

And here one returns to the probability that many of the adverse effects of the kind of climate change that appears likely would be felt most seriously in such countries as the United States, the Soviet Union and China, particularly in terms of their food-growing capabilities. These three countries happen to be those with the largest reserves of coal, as well as being major users of energy.[60] Thus, many of the countries chiefly responsible for the climate change would also be its principal victims, and at some point this fact could be a very great inducement to concerted and drastic action to deal with such factors as the expanded use of coal as a major energy source. So far, carbon dioxide and climate change have not figured significantly in the setting of energy policy in the industrialized nations. As the climate change and its impacts are more clearly perceived, this situation could and should change.

[60] Carroll L. Wilson (Project Director), *Coal—Bridge to the Future: Report of the World Coal Study (WOCOL)*, Cambridge, Mass.: Ballinger, 1980.

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X

We must view the prospect of a carbon dioxide-induced climate change against a backdrop of other equally important environmental and societal problems facing the people of the world. In the first half of the next century, as the environmental changes will probably become increasingly more apparent, the world could well contain twice as many people, consume three times as much food, and burn four times as much energy. Our future problems will be serious even without a shifting climate.

It now appears that the possible global climate change may be very disruptive to some societies, though not generally disastrous. It may trigger shifts in agricultural patterns, balances of trade, and habitual ways of life for many people—and eventually, a few centuries from now, may even force abandonment of low-lying lands due to a rise of sea level. Ideally, we may hope that the countries of the world would unite to control and limit the use of fossil fuels, thereby averting or at least delaying this disruption.

The political motivation to do this is apparently lacking, however, nor is it likely to develop in the foreseeable future. There are powerful transnational as well as local interests that would surely oppose such measures, and there is no international machinery that could make such a drastic decision, much less enforce it.

The alternative, then, is to prepare for the climate change in store for us. We can hope that the necessary measures to do this are adopted at all levels of society. The outline in this article indicates a number of measures that make sense right now, even if there were no impending long-term changes. In addition, the scientific community must continue to probe the many factors involved, factors concerning the physical system that determines climate and also the factors governing the impacts of climate change on human activities.

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Joseph Alpher

WHY BEGIN SHOULD INVITE ARAFAT TO JERUSALEM

Now that it has completed the Israeli withdrawal from Sinai, the government of Israel should consider extending unconditional recognition to the Palestine Liberation Organization as a major representative of the Palestinian people. PLO leader Yassir Arafat should be invited to follow in the footsteps of Egypt's late President Anwar el-Sadat and visit Jerusalem. And the PLO should be summoned to take its seat at the Palestine autonomy negotiations.

The act of invitation and recognition should involve no conditions or qualifications—but neither should it imply concessions on Israel's part. Indeed, the point of departure for this proposal is, from the Israeli outlook, more hawkish than dovish on the Palestine issue: it acknowledges that the PLO and its leadership are extremist terrorists bent on Israel's total destruction; it assumes that Israel must maintain at least a strong security presence throughout the West Bank and Gaza Strip for the foreseeable future; and it recognizes that evacuation of Israeli settlements from these territories is fast becoming a political impossibility.

Why, then, should Israel unilaterally recognize the PLO? For a number of sound tactical reasons which, taken together, only enhance Israel's strategy of ensuring its own security within safe borders. Categorizing these reasons somewhat arbitrarily for the sake of simplicity, the first may be termed image-building—enhancing Israel's image in its own eyes, and in the eyes of the world. The second may be defined under the catch-all heading of Realpolitik. And the third may be understood as a broader political effort to improve Israel's tactical position vis-à-vis the Arab world and the West.

II

During the 1950s and early 1960s, in fact right up to the close of the Six-Day War in 1967, it was a great deal easier to be an Israeli—and not only because Israel was "David" and the Arabs

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"Goliath." Israel also talked unconditional and unqualified peace then: it was officially prepared to meet with any Arab leader, anywhere and under any conditions, and talk peace. The fact that the Arabs' spokesmen—Nasser of Egypt, Shukairy of the Palestinians—replied with threats to push Israel into the sea not only made Israel's public relations task easier throughout the world, it also made it easier for Israelis to live in a state of perpetual siege and to bear their trials and tribulations. They felt they were doing everything possible for peace. They would meet the Arabs head-on anywhere, anytime. They felt extremely unified in this knowledge. Such a sound self-image is worth a great deal to a small country under siege.

Even the Six-Day War did not immediately change the Israeli image and self-image. Having relied on its credit with world opinion to justify its victories, Israel's reflex reaction after the war was to offer to give back everything, all its conquests, in return for peace. It was only with the passage of time, and the shattering of Israel's naïve delusion that the Arabs might realize they had had enough and extend a hand of peace, that the images began to change. Within a few weeks Israel annexed East Jerusalem. As then Defense Minister Moshe Dayan put it, he was tiring of "waiting for Hussein to telephone." Qualification upon qualification began to be piled on Israel's traditional readiness to talk peace, as the strategic value of the conquered territories became more and more appealing: no PLO; the Allon Plan for carving up the West Bank; East Jerusalem is nonnegotiable; we'll never descend from the Golan Heights; there is no Palestinian people, and so on and so on. No longer would Israel meet with any Arab anywhere, anytime, to talk peace. Regardless of the justice and logic of Israel's new conditions and qualifications, the world took skeptical note of Israel's new image. So did many Israelis.

Israel's pre-1967 readiness to talk peace unconditionally was of course a tactic, albeit a sincere one. Israel had few concessions to make, no territory or rights to give up in return for Arab recognition and peace. It was easy to offer to talk to Nasser when you knew he would only snarl a new threat in return. But the tactic, unsuccessful though it was in promoting peace, was part of a larger strategy of maintaining both Israeli confidence and morale at home, and world support for Israel abroad. As such, it was successful.

Israel's post-1967 tactic of presenting qualifications—territory, recognition, acceptance of U.N. Security Council Resolution 242—not for a willingness to agree on peace terms but for a

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readiness even to talk, has not been a success. The proof is in the only achievement registered on the peace front since then—the 1977 Sadat initiative and its aftermath. It was only when Israel hinted to Sadat that it would drop its post-1967 conditions—in effect, return to its position of the weeks immediately following the Six-Day War and offer to restore all conquered Egyptian territory in return for peace—that Sadat seized the initiative and came to Jerusalem. And it was quite natural that Sadat, who appeared to be taking the pre-1967 Israeli position of willingness to talk anywhere, anytime about peace, garnered all the world's praise and credit. Still, Israel too got good press and a moral boost from the peace experience with Sadat, until it allowed itself to appear to be stifling the new process in a myriad of legalistic conditions concerning the Palestinian problem, the terms of peace, etc.

It would undoubtedly be a gross and unjust distortion to state that Israel's post-1967 penchant for placing conditions and qualifications on its willingness to discuss peace—justified as it may have been—has been the only cause of Israel's image and self-image problems. But this intransigent face certainly appears to have contributed its fair share.

Applying this insight to Israeli-Palestinian relations, it must be noted at the outset that Israeli and PLO objectives regarding the disposition of the territory of "Palestine-Eretz Yisrael" appear to be mutually exclusive. Yet this fact should have no more relevance to the question of Israeli readiness to recognize and talk with the PLO than did Nasser's threatening replies to Israel's pre-1967 peace offerings. Then, as now, Israel's strategic goal was to ensure its own survival within secure borders; then, as now, the offer to talk with an Arab who threatened to murder every last Jew in Israel was a tactic—it improved Israel's security position just a bit more, and therefore it was preferable to even a hint of intransigence as an overt policy position. Israelis felt better about it, and the world felt better about Israel. It did not prevent the 1956 and 1967 wars, but it made them more palatable and justifiable.

At present, no one in the Israeli political mainstream is prepared to take such an unqualified attitude toward the PLO. Even the more liberal Israelis, who support some form of qualified recognition of the PLO, condition their declared readiness to deal with that organization on its willingness to accept U.N. Resolution 242 and/or, implicitly or explicitly, to recognize Israel and renounce both terrorist tactics and the Palestine National Covenant's claim to all of Palestine. This is basically the U.S. position, too. Its

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weaknesses are compound: from the public relations point of view it remains, after all, "qualified," and thus subject to attack, modification, erosion, negotiation, endless interpretation and, above all, suspicion. Indeed, both Israeli and Palestinian supporters of dialogue on this basis are vilified by both sides' more extreme, and majority, elements.

Yet, practically speaking, were the PLO leadership to accept these minimal Israeli conditions, Israel would be placed on the spot. For, in the wake of the Sadat assassination, and in view of the generally dour Israeli mood regarding the future of the Israeli-Egyptian peace, few in Israel would actually believe in the PLO leadership's sincerity or the viability of its peace offerings. Yet the international community would proceed to condemn any Israeli refusal to respond to the PLO's gesture of acceptance. Indeed, even the Begin government, which categorically refuses to deal with the PLO under any circumstances, would be hard put to maneuver its way out of some sort of forthcoming response. PLO recognition of Israel would, after all, satisfy U.S. conditions for recognition as well as those of quite a few Israelis, and it would thereby create a serious crisis both in U.S.-Israeli relations and within the Israeli body politic.

Assuming the PLO's fundamentally negative intentions toward Israel, it would appear that the most "liberal" yet qualified Israeli position regarding the PLO could bring it nothing but trouble. Why not, then, turn the tables completely and return to a policy of unconditional willingness to talk with one's most implacable enemy? Were Israel to do this, it would score a propaganda victory on a worldwide scale. The onus of reasonable initiative would fall on the PLO and, as we shall see, everything points to the probability that that organization would not be up to the challenge. As a corollary, Israeli morale, self-esteem and unity would be boosted by this display of confident readiness to talk about peace anywhere with anyone. And as a further domestic by-product, Prime Minister Menachem Begin (assuming he remains in office for some time to come) might find his popularity augmented by having preempted the Israeli Left with a surprising, but logical move. He might even enjoy presenting it as another case of his acting in the Ben-Gurion (i.e., pre-1967) mold.

III

On the level of Realpolitik, Israel should initiate contact with the PLO because the PLO is there: it is the major spokesman for the Palestinians and a major factor in Middle Eastern and interna-

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tional life. When the need has arisen, Israel has not hesitated to maintain contacts with other Middle East figures with a gangster mentality and bloodstained hands, such as Syrian President Hafez al-Assad; and, in fact, Israel has already talked to the PLO unconditionally through certain West Bank mayors who are members in good standing of that organization, and through U.S. special representative Philip Habib, who negotiated a de facto ceasefire agreement between the two parties in the summer of 1981.

The Israeli leadership could, if it so wished, look upon its recognition of the PLO in terms quite familiar to all Israelis: those of "establishment" or "authority" versus "terrorists." Modern psychology has devised fairly successful methods of dealing with desperate terrorists, hijackers and hostage-takers. The representatives of established authority talk to the terrorists, and try to engage them in a dialogue. In this way they learn the terrorists' weaknesses and pressure-points. Meanwhile, commando forces gain time and valuable information for their operative plans. If the terrorists do not give up peacefully—occasionally they do—the ultimate use of force against them is that much more effective thanks to the talking stage. Nor did the act of negotiation compromise the freedom to use force, or detract from its effectiveness. On the other hand, a refusal to recognize the terrorists' very existence—in this case a refusal to talk to them or even listen to their extremist and unacceptable demands—could only have produced a less than optimal outcome.

The benefits and advantages associated with the Israeli offer to recognize and negotiate with the PLO cannot be appreciated without at least limited reference to some of the internal contradictions which characterize both the PLO and Israel today.

The PLO is an umbrella organization, embodying a fairly wide spectrum of Palestinian political opinion. This spectrum ranges from independents and certain elements within Fatah which at times at least imply, either for cynical or sincere reasons depending on the personalities and circumstances involved, that they would be prepared to live in a small Palestinian state next to Israel, to Marxists and maximalists who openly advocate not only Israel's destruction but a restructuring of the entire Arab world in the image of South Yemen. This is the PLO's weakness. The PLO's strength is in its ability to downplay this diversity and present a "consensus" stand to the world—couched in moderate terms for Western consumption, and in extremist terms for Arab eyes and ears. Thus the PLO fortifies the notion of a united Palestinian people, backed by a united Arab world, demanding Palestinian

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rights. The verbal calisthenics involved in maintaining this image—Arafat will make conciliatory remarks to a Western interlocutor one day, and issue violent denials to the Arab press the next—are and will continue to be workable as long as the PLO is not called upon to take a genuine negotiating stand or even to show up for negotiations. For the organization's real lack of flexibility and cohesion would show if its leaders, put to the test, had to make the agonizing choice between taking a stand and risking both the PLO's disintegration and their own personal safety, and retreating into "safe" intransigence.

Moreover, because of a long history of regional rivalries, and due to moderate Arabs' fears of PLO leftist tendencies, the PLO is solidly mistrusted by those same Arab states which so ardently press its case in international forums. Jordan is a target of PLO subversion. Syria itself openly claims the territory of Palestine and backs its own, loyal Saiqa faction within the PLO. Saudi Arabia and the Gulf states fear Palestinian subversion against their patriarchal regimes. Egypt's sense of "responsibility" for Palestine's fate did not prevent it from making a separate peace with Israel.

The sum total of these contradictions is a rather delicate equilibrium. The PLO—or its leadership, i.e., Arafat and his closest advisers—cannot possibly put its cards on the table in a negotiating situation with Israel without sharply antagonizing some of its own factions as well as some of its backers in the Arab world. Indeed, the odds are that the PLO, if presented with a genuine invitation to negotiate unconditionally with Israel, would either back down or present its most extremist demands.

The PLO's inability to deal with genuine gestures of moderation was again brought home in January 1982, when three leading Palestinian moderates—the PLO's Issam Sartawi, Bethlehem Mayor Elias Freij and Gaza Mayor Rashad A-Shawa—made statements encouraging the PLO to seek contact with moderate Israelis. Freij and A-Shawa, in particular, justified their plea with reference to their fear that the Israeli settlement pattern in the territories would soon endanger the Palestinian Arab population's viability there as a potential national entity. Within two days, PLO threats had caused both mayors to issue hurried disclaimers, while Sartawi, who had already been officially condemned by the PLO for his contacts with Israeli leftists, was again disowned.

Then, too, as recently as mid-March 1982 Arafat told an American TV interviewer that to recognize Israel as Sadat had done would be tantamount to suicide on his part—"the people"

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would never forgive him. Recently, too, Nahum Goldmann, former President of the World Zionist Organization, has related in his autobiography how Arafat refused on three separate occasions to meet with him, due to intra-PLO rivalries.

Thus, the effect on the PLO itself, and on its inter-Arab and international standing, of challenging it to join the Camp David process could be so damaging as to obviate the need for further justification of such a move on Israel's part. In this way Israel might succeed in striking a stronger blow at the PLO's terrorist and extremist foundations than even military action has achieved.

Realpolitik considerations apply to Israel, too. The Jewish population of Israel has recently become a house divided—between those who favor settling and annexing the West Bank and those who oppose this policy; between Ashkenazic and Sephardic Jews; between Labor Zionism and the forces of revisionist and religious Zionism which have supplanted it in the halls of power in Jerusalem. Moreover, just as the fact of PLO primacy as a principal representative of the Palestinian cause seems more or less self-evident today to most international observers of the Middle East, so these same observers must address the new geopolitical reality which Likud Party politics has imposed upon Israel (prominent anti-Likud Israelis, from writer Amos Elon to politician Shimon Peres, have recently begun to indicate that they do indeed, albeit regrettably, recognize it): the West Bank settlements are fast becoming a way of life for Israelis; the government's policy of subsidizing relatively cheap housing for Israelis there is so attractive that even home-hungry Israeli leftists are prepared to rationalize the idea of a move there. Organized political opposition to the notion of mass Jewish settlement of the West Bank is dwindling rapidly, as the Sinai withdrawal trauma (no doubt encouraged and even orchestrated to some extent by certain members of the ruling coalition, with the West Bank in mind) and the Golan annexation work their way into the public's consciousness. A large Israeli consensus opposing withdrawal from the West Bank and Gaza has now become an undeniable factor in any future negotiations over the Palestine issue.

Still, large segments of the Israeli population remain deeply troubled by the ramifications for Israel of prolonged control over a million Palestinians. To many thoughtful Israelis, the only options seemingly left open by Prime Minister Begin's policies of the past five years are extended military control by force of one population over another—with all the moral discomfort this implies for young Israeli soldiers—or annexation, with its potential

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for turning Israel into a dual-national state and, eventually, for making Jews a minority in their own country. Even religious Zionists who believe wholeheartedly in Israel's God-given right to Judea and Samaria, are discomfited when confronted with the vision of the ultimate result for Israel. An Israeli gesture of recognizing the PLO without making any concessions on the Palestine issue itself would satisfy many of these Israelis' doubts as to whether Israel was doing everything possible to further a Palestinian solution. It would offer Israelis who are otherwise divided over many issues a new common ground upon which to consolidate a measure of unity.

Paradoxically, such a move would be strangely consistent with key aspects of Likud policy. Both Defense Minister Ariel Sharon and Foreign Minister Yitzhak Shamir frequently declare that there already is a Palestinian state—Jordan—and that it is to this entity that Palestinians should look for their national identity. The logic of this position dictates that, were the PLO to take over Jordan, the Israeli government would not be dissatisfied. (Indeed, Sharon is known to have espoused this very idea on several occasions.) For in such a case, the West Bank problem would boil down to the relatively simple need to define the nature of a mixed-population buffer zone between two sovereign states, Israel and Palestine. Were Israel to seek to further such a solution by its own means, it would appear that some degree of collaboration with the PLO would be necessary.

Thus, even if the Begin government were to abhor the notion of sitting down with the PLO to discuss autonomy, it should be at least as willing to talk with Arafat about Jordan—which it does not control—as it says it is to talk with Assad about the Golan or Saudi Crown Prince Fahd about Jerusalem, both of which it does control.

Even Begin and Sharon's present policy of cultivating the rural West Bank village leagues—an alternative political force which is opposed to Jordan, to the West Bank town mayors and to the PLO, and which presumably is prepared to discuss autonomy with Israel—need not clash with Israeli recognition of the PLO. For one, the PLO refuses to discuss autonomy anyway. Then, too, if Sharon's design succeeds and a new and compliant West Bank leadership with a rural base does arise, one inevitable corollary will be even greater adherence to the PLO on the part of the frustrated urban elite—the intellectuals and elected mayors—who will be left out of this arrangement. In other words, Begin and Sharon might find a partner to provide some sort of human infrastructure for auton-

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omy, but they will have enhanced the PLO's standing in the Arab world in general, and among large segments of the West Bank population in particular. Certainly, they will not have "solved" the Palestinian problem to the Arabs' satisfaction, and the PLO will continue to function as the principal manifestation of the Arab-Israeli conflict.

It is the official Israeli Labor Party position, with its advocacy of territorial compromise with Jordan on the West Bank, which is most irreconcilable with PLO recognition. But Begin is under no ideological obligation to Jordan. Nor does he intend to facilitate the setting up of a Palestinian state in the West Bank through negotiation with the PLO, which he compares to the Nazis. Yet perhaps he would not deny the simple fact of PLO leadership of most Palestinians if he could be persuaded that he could only improve Israel's tactical position by making such a move.

Suppose, however, that the impossible were to happen. Suppose that the PLO, or a sizable faction within it, properly fed up with being manipulated by the Arab countries for their own aggrandizement, were to see some advantage in initiating constructive relations with Israel. Perhaps, too, the United States, Western Europe and/or the Soviets would pressure the PLO to agree to talks with Israel. Or Arafat might devise some sufficiently cloudy verbal formula of recognition to satisfy the West, silence his own extremists and alarm Israelis. Would the Israeli government be on the spot?

Not if its autonomy proposals are sincere. After all, the United States endorsed them at Camp David, and the main European reservation has been that they did not include a specific invitation to the PLO. Thus if—but only if—Arafat were to do the unexpected and agree to discuss five years of limited autonomy, Israel would *have* to talk to him.

Meanwhile, Begin and Sharon have other initiatives of their own to present to the PLO—initiatives which could only widen Israel's inter-Arab field of maneuver. For one, they could put forth the "Jordan equals Palestine" idea on a practical basis. They could also discuss some sort of permanent modus vivendi with the PLO in troubled Lebanon—perhaps Israeli guarantees for the Palestinians there against Syrian designs on their freedom of maneuver, in return for institutionalization of the ceasefire. Nor, incidentally, is there anything in the proposed Israeli recognition to keep the Israeli government from striking at PLO terrorist concentrations in Lebanon if the security need arises. One can fight an enemy and recognize him at the same time—the 1974

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protracted ceasefire and withdrawal negotiations with Syria, accompanied by a war of attrition, come to mind.

Lastly, assuming it could be persuaded that recognizing the PLO would not bring catastrophe upon Israel, the Begin government could exploit such a move either to fortify its shaky coalition majority at home, or to strengthen its image prior to new elections. For the overall effect of such a move would be that of a strong, confident Israeli government preempting its most vocal opposition at home.

If outmaneuvering and discrediting the PLO by *recognizing* it could further an Israeli hawk-dove consensus, it would be beneficial for Israel. If recognition should kindle Palestinian willingness to discuss possible common interests with Israel in Jordan or Lebanon, it might be worth a try. If the PLO were actually to surprise everyone by agreeing to sit down and discuss the Camp David autonomy plan, then such a move might actually further the peace and add momentum to the Arab-Israeli rapprochement begun by Sadat. If, on the other hand, the PLO replied to unconditional Israeli recognition, offered without concessions, as one might expect it to—by couching its reply in terms which continue to negate Israel's fundamental right to exist within secure borders, and which reject the Camp David autonomy framework—then it would have set itself up for international and possibly even inter-Arab condemnation, and allowed Israel to pursue its national interests less fettered by international and internal criticism.

IV

Finally, Israel should recognize the PLO in order to enhance the Israeli position internationally. By preempting anticipated U.S. pressures, the move would improve the foundation of Israeli-U.S. relations. By taking pressure off Egypt on the inter-Arab scene, it would further the Israeli-Egyptian normalization process. By developing greater flexibility and leverage vis-à-vis the Arab world, Israel might improve its relations with some of its neighbors. And by placing the onus of a Palestinian autonomy stalemate on the Palestinians, Israel would be better able to protect its own vital interests in the West Bank and Gaza Strip.

Let us assume that one day Mr. Begin, in his finest rhetoric and his best tradition of tactical surprise (remember not only the raids on Iraq's Osiraq reactor and the PLO's Beirut headquarters, but also the Israeli enticements which led Sadat to make his historic trip to Jerusalem in 1977), were to declare something along the

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following lines:

Israel considers the PLO to be our implacable enemy, determined to use every lowly means of terror and murder to fulfill its goal of eliminating Jewish sovereignty in the Middle East. We shall continue to counter and anticipate PLO violence with Israeli military action, wherever and whenever we see fit. At the same time, to deny the PLO's role as a prominent representative and leader of the Palestinian people is no more logical than to deny that Assad of Syria and Fahd of Saudi Arabia—both of whom we have invited to Jerusalem for unconditional talks despite our dislike for their corrupt and undemocratic regimes—are the recognized leaders of their countries.

It might appear to rational observers that Israel has nothing to offer such a terrorist organization as the PLO. Yet we have vowed to leave no stone unturned in our quest for peace with our neighbors. Moreover, we are not insensitive to the urgings—public and vocal among our Western European friends, more subtle in the United States—that Israel initiate some form of breakthrough on the Palestinian question. Nor are we blind to the suffering inflicted on Palestinian women and children over the past 33 years.

Bearing in mind these considerations, the Government of Israel hereby:

(1) Recognizes the PLO as a prominent representative of the Palestinian Arab people.

(2) Invites Mr. Arafat or his representative to come to Jerusalem for unconditional talks on any subject he wishes to discuss. For its part the Government of Israel will raise the subject of the Camp David autonomy talks, which constitute the official American, Egyptian and Israeli framework for solving the Palestinian issue.

The PLO's probable reaction to such an announcement of recognition and invitation has already been described. It would most likely be a flat, self-righteous refusal. With all Israeli preconditions removed, the PLO, from a tactical standpoint, would no longer be able to hide behind proposals of U.N. trusteeships and similar indirect formulae for avoiding contact with the hated Israelis. Its refusal to accept the Israeli gesture would be seen as intransigence—pure and simple. This in turn would make any extreme Israeli measure regarding the West Bank and Gaza Strip—such as imposed autonomy—just a little easier for the world to swallow. Just as Israel justified its annexation of the Golan Heights—to the world and to the Israeli people—by pointing out that for 14 years it had been offering Syrian President Assad unconditional talks and was now tired of waiting—so in the Palestinian case a PLO rebuff could be seen by many as a justifiable last straw for Israel.

However the PLO were to react—internal dissent, united rejection, or even willingness to talk—the effect of such a tactical move on Israel's part would be particularly beneficial for Israel from the standpoint of its relations with the United States, Western Europe and, most important, the Arab world.

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Israeli recognition of the PLO—and the invitation to join the Camp David negotiations—would take some of the post-withdrawal pressure off Egyptian-Israeli relations. No longer would Egypt have to represent the Palestinians in the autonomy negotiations. Nor would Egyptians have to continue to feel that they had forsaken their duty to the Palestinians in making a separate peace with Israel. If Israel is ready to talk autonomy with the PLO—then Egypt is off the hook. Egypt can more freely cultivate its own bilateral relations with Israel if it so desires. And if it does not, Egypt can no longer use Israeli footdragging on autonomy as an excuse for not honoring its own Camp David commitments.

Then, too, the possibility of an Israeli-PLO dialogue could spur King Hussein of Jordan to look out for his own interests in the West Bank—interests which are fundamentally very much at odds with those of the PLO—lest either he be left out of an Israeli-PLO deal, or Israel agree to look the other way when next the PLO tries to install itself in Amman. If this were to bring Hussein to the negotiating table with something less than his maximalist demand of total Israeli withdrawal from all of the West Bank and East Jerusalem, the Israeli gambit toward the PLO would have been a worthwhile exercise. (In this sense, the tactic outlined here *could* dovetail with the Israeli Labor Party's support for territorial compromise with Jordan.) Syria also, with its latent fears of a strong Palestinian-Jordanian state and the growth of Palestinian influence in Lebanon, might become more flexible in its policy toward Israel under these circumstances.

Israeli recognition of the PLO could also further the prospects of direct Israeli contact with Saudi Arabia. Certainly the thrust of many Saudi policy statements of the past two years has been to tie peace with Israel to Israeli recognition of the PLO. Here again, if the Arab stance is mere rhetoric, then the Israeli move will unmask it. If, on the other hand, the Saudis are looking for a way to initiate contact with Israel while ensuring that their Palestinian flank is covered and their consciences are clear, then an Israeli statement of readiness to listen to the PLO could prove a big step in the right direction.

Turning to Western Europe, Israeli recognition of the PLO would appear to satisfy the principal condition which the European Economic Community in its June 1980 Venice Declaration attached to the Camp David agreements. Israel would have ample grounds for requesting both a European statement of approval for its move, and EEC condemnation of anything but a forthcoming, moderate PLO reaction.

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The situation vis-à-vis the United States is different. For here Israel would appear to be throwing away one of its greatest tactical assets by recognizing the PLO. The United States, after all, is honor bound by its 1975 commitment to the Rabin government—given in partial exchange for Israel's second Sinai disengagement in September of that year—neither to recognize nor to deal with the PLO until that organization accepts Resolution 242 and recognizes Israel's right to exist. Why should Israel voluntarily do what it has persuaded the United States not to do?

The answer is twofold. On the one hand, that 1975 commitment is, from the American point of view, one of the most grating and angering aspects of U.S.-Israeli relations. For a superpower to be held ransom by a regional power over an issue of untold sensitivity and importance to the superpower in its regional relations may be temporarily gratifying to the regional power, but it is galling to the superpower. Ultimately the United States, when it sees fit, will unilaterally abrogate this commitment just as it has done with other promises to Israel. The October 1977 Soviet-American memorandum of agreement on the Middle East—nipped in the bud by the Sadat peace initiative—was already a step in this direction. It could well be repeated when U.S.-Soviet relations require such a concession on Washington's part, or if—now that all of Sinai has been returned—the United States no longer feels it necessary to indulge the Israeli government and restrain its reaction to Israel's more provocative initiatives. Thus for Israel's own sake, it should negotiate the cancellation of this concession as soon as possible.

Moreover, the fairly obvious need for Israel to repair its image in the United States—in the wake of Begin's 1981 activism in bombing the Iraqi reactor and the PLO's Beirut headquarters, and Israel's annexation of the Golan—makes it all the more urgent that Israel find an innovative and positive way of grasping the initiative now that the return of Sinai may permit the United States to make more insistent demands on Israel.

Were Israel to take the initiative, it could still exploit the 1975 agreement to extract important concessions and commitments from the United States in return for Israeli willingness to release the United States from its obligation not to talk with the PLO. Concessions such as a firm U.S. endorsement of the implications of the English-language version of U.N. Resolution 242—that significant territories conquered in 1967 remain in Israel's hands to ensure Israeli security—or perhaps the long-awaited transfer of the U.S. Embassy in Israel from Tel Aviv to Jerusalem, come to

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mind as possible Israeli demands in such a case, along with a firmer framework for strategic collaboration between the two countries.

V

True, an Israeli leadership which sincerely believes it can forever prevent the United States from moving toward contact with the PLO or from forcing a Palestine solution upon Israel, will be loath to adopt the tactic proposed here. Moreover, the Israeli public as a whole, and Prime Minister Begin's political supporters in particular, have long been conditioned to an attitude of resolute rejection regarding the PLO; this is a difficult stumbling block for any leader to overcome. But perhaps the main rationale for such a leadership's position is the feeling that by agreeing to meet the PLO head-on, whether conditionally or unconditionally, Israel would somehow be displaying weakness, and would thus be exposing its flanks to an international movement to force concessions upon it—a fear, in effect, that the world would exploit a momentary lapse on Israel's part and some dubious phraseology on the PLO's part, in order to "ram the PLO down Israel's throat."

At the heart of this fear is the Israeli perception that recognition of the PLO is a major concession on Israel's part—and concessions, in certain contexts, are indeed signs of weakness. That is why it is important for Israel to present—to itself and to the world at large—its change of position regarding the PLO not as a strategic retreat, but rather as a new, stronger tactic. Not as a move "toward" the PLO, but as a dynamic initiative intended to upset Arab equilibrium and recover points for Israel. Not as a humiliating reversal of policy, but as a keen recognition that the facts of life have overtaken ideology, politics and international resolutions together, and that only quick, far-reaching action will pull success out of stalemate. The Nixon-Kissinger reversal of U.S. policy toward China in the early 1970s and the Sadat peace initiative of 1977 come to mind as similar dramatic policy reversals which became sources of pride and praise rather than chagrin and which, with the passage of time, have come to be understood as tactical changes of course within the framework of a major strategic vision. So it could be with Israel and an initiative regarding the PLO: unqualified Israeli recognition of the PLO could, if executed properly and prenegotiated with the United States and the Arabs for all it is worth, serve as a major means for Israel to realize its strategic aims in the Middle East.

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Robert W. Komer

MARITIME STRATEGY VS. COALITION DEFENSE

The United States is in the throes of another fundamental reexamination of defense strategy and posture comparable to that leading to primary reliance on nuclear deterrence in the early 1950s. This culminates a process which began over 20 years ago, as U.S. planners first began to grapple with the implications of likely Soviet catching up in nuclear capabilities. Now that nuclear stalemate is a fact of life, U.S. attention is turning to alternative strategies relying even more on conventional capabilities than the current strategic doctrine of flexible response. While crucial nuclear issues must still be addressed, this article will focus chiefly on the leading non-nuclear alternatives now under debate.

To oversimplify, one is a maritime supremacy strategy which tacitly acknowledges Soviet military predominance on the Eurasian landmass and stresses U.S. exploitation of the medium which we can most readily dominate—the sea. The other calls for trying harder to generate a credible conventional defense of such high priority areas as Western Europe, Northeast Asia, and the oil-rich Persian Gulf littoral, primarily via greater coalition burden sharing and a more efficient collective effort. At present the Reagan Administration is trying to ride both horses. Since conventional capabilities are so much more expensive than nuclear, however, economic constraints may force on it the necessity for choice.

II

The chief factor impelling the United States toward a new strategy has been the gradual improvement of Soviet nuclear capabilities, to the point where they make a U.S. deterrent strategy based primarily on nuclear retaliation lose a great deal of its earlier utility and appeal. Of course, from the dawn of the nuclear

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age there have been voices arguing that nuclear weapons of mass destruction were too terrible ever to be used, hence that adequate conventional strength was also essential to deterrence. Nor has fear of U.S. nuclear retaliation stopped Soviet exploitation of vulnerable targets in the Third World, although it has no doubt helped deter any Soviet designs on major U.S. allies. Indeed, the United States itself has been self-deterred by the awesome nature of the atom it unleashed. Though the United States fought two major limited conflicts at a time when it enjoyed massive nuclear superiority, it never seriously contemplated nuclear escalation.

Instead the United States, seeing that defense-on-the-cheap via "massive retaliation" would have declining deterrent credibility as the Soviets gradually caught up, took the lead in seeking alternative strategies less dependent on nuclear escalation. Gerard Smith describes how as early as 1958 he convinced John Foster Dulles that "massive retaliation" was becoming outdated and got the Secretary to so advise the Joint Chiefs of Staff (JCS).[1] The Kennedy Administration, spurred by Secretary of Defense Robert McNamara, shifted in 1962 to a "flexible response" doctrine which called for building up conventional forces to permit an initial non-nuclear threshold (and make it more credible).

However, U.S. attempts to get NATO agreement to this revised strategy ran into strong European resistance, not least to the costly conventional buildup entailed. Our allies still preferred nuclear defense on the cheap, especially since the United States (for its own reasons) kept footing most of the nuclear bills. Not until late 1967 did NATO officially adopt "flexible response," and then only in a deliberately ambiguous compromise formulation (MC 14/3). This permitted the Europeans to interpret the strategy as calling for a brief conventional "pause," with only a modestly strengthened tripwire to trigger nuclear escalation, whereas the Americans favored building toward an indefinite conventional defense.

In 1973–75, after our long Vietnam entanglement, Secretary of Defense James Schlesinger returned to the fray. He found our allies almost as reluctant as ever to pay the price for a more "stalwart" conventional defense. Then the Carter Administration picked up the cudgels. Its Long Term Defense Program and other arms cooperation proposals were aimed primarily at co-opting our NATO allies into a sustained non-nuclear mutual buildup, to be funded by at least three-percent annual growth in defense spend-

[1] Gerard Smith, *Doubletalk: The Story of SALT I*, New York: Doubleday, 1980, pp. 10–11.

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ing. As so often, our allies embraced the goals but, in contrast to the United States, have fallen short to date on their performance.

We simultaneously responded to growing European concern over the adverse "Euro-strategic balance" (Helmut Schmidt's phrase) being created by Soviet SS-20 missile and *Backfire* bomber deployments at a time of strategic nuclear stalemate. But this long-range theater nuclear force modernization program was not the centerpiece of our NATO initiatives. It was more an add-on designed to reassure our allies that no "gap" in the deterrent spectrum would be allowed to develop while we all focused on thickening NATO's conventional shield. Even 572 missiles (464 ground-launched cruise missiles—GLCMs—and 108 Pershing II intermediate-range ballistic missiles) were not regarded as providing NATO with a militarily adequate escalatory option. Besides, GLCMs (with relatively long flight times) are not much of a first strike system; instead, they would serve primarily to prevent the U.S.S.R. from holding Europe a nuclear hostage.

Nor was the United States ever enthusiastic about the buildup of British and French nuclear forces. We regarded them as superfluous, potentially destabilizing (could we rely on de Gaulle not to pull the nuclear trigger?), and almost inevitably funded at the expense of U.K. and French conventional forces. Though we aided U.K. nuclear force modernization, most recently in promising to provide Trident II missiles, this was essentially because we saw the U.K. as determined to modernize anyway, and hence calculated that we might as well help it do so less expensively in order to minimize the impact on its conventional NATO contribution.

In short, it is we Americans who have been trying for over 20 years to get our allies to move away from dangerous over-reliance on nuclear weapons. It is allied governments which have clung to the U.S. nuclear crutch, primarily because of their reluctance to pay for adequate conventional forces. Thus it is ironic to find a large segment of European opinion accusing the United States of wanting to fight a theater nuclear war at Europe's expense.

Similarly, the United States has almost always taken the lead in efforts to help tame the nuclear monster via arms control. The apparent interruption of this process—when the Congress failed to ratify SALT II and then the Reagan Administration deliberately held back so that the United States could negotiate later from a "position of strength"—turned out to be a grave tactical error, which the Administration is belatedly seeking to rectify. Its hesitancy, at a time when the superpower nuclear competition is creating such high levels of destructive power on both sides, has

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stimulated a rising popular reaction in the West. This climate has contributed to outside proposals for a U.S. "no-first-use" pledge, various forms of nuclear freeze, or even unilateral disarmament. At bottom these are symptoms of an underlying fact of life—that the advent of nuclear stalemate makes a NATO strategy based primarily on nuclear retaliation less and less appealing to the very people it is designed to protect.

This factor has spawned another problem—growing questioning of a Western alliance system based primarily on U.S. nuclear deterrence. Reliance on the U.S. nuclear commitment to defend Western Europe has long been the glue which held NATO together. While many centrifugal tendencies have created recurrent strains in the alliance, the decreasing credibility and appeal of the U.S. nuclear umbrella is surely the most serious to date. As former Secretary Schlesinger has said, "the fatal flaw in the Western alliance system is its over-reliance on nuclear deterrence."[2]

Another impetus to the search for a new U.S. strategy is the so-called "three front" problem created by the emergence of a power vacuum in the oil-rich Middle East. After 1945, U.S. strategic thinking focused primarily on defense of Europe and Northeast Asia, and the U.S. force posture was geared to a sizing scenario of "2½ wars," i.e., coping with the Soviet threat in Europe and a Sino-Soviet threat in the Far East, plus a limited war somewhere in the Third World. Exploiting the Sino-Soviet split enabled the Nixon-Ford Administration to accommodate to America's post-Vietnam defense cutbacks by sizing our forces for only "1½ wars." But the demise of our Central Treaty alliance (CENTO), the fall of the Shah, and the Soviet occupation of Afghanistan have now compelled the United States to assume the added burden of countering Soviet ability to dominate Persian Gulf oil—the economic lifeblood of our chief allies. The Carter Administration sought to fill this new strategic vacuum—hence also to deter Soviet exploitation of local instability—by boldly asserting the Carter Doctrine and backing it up by creation of a new Rapid Development Force (RDF). But severe resource constraints, plus the sheer distance of the United States from the area, have led many critics to aver that the emperor has no clothes.

U.S. difficulty in coping with the "three front" problem (including Northeast Asia) has been compounded by the widening gap between U.S. and Soviet defense spending. While the U.S.S.R. has been slowly but steadily increasing its defense effort for nearly 20 years, the United States first diverted no less than $300 billion

[2] "The Handwriting on the Wall May Be a Forgery," *Armed Forces Journal*, March 1982, p. 28.

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in today's dollars to fighting the Vietnam War and then cut spending in the aftermath. Not until Fiscal Year 1977 did real U.S. defense outlays turn significantly upward. Since the United States spends so much more proportionally on volunteer personnel, the gap between U.S. and Soviet defense *investment* has become even wider. Indeed, though NATO as a whole still spends slightly more than the Warsaw Pact, even total NATO defense investment is considerably less than the Pact's. Thus the Western alliance has a lot to do to catch up.

III

These painful developments have created what the Joint Chiefs of Staff call a serious "mismatch between our strategy and our resources." As the Chief of Naval Operations colorfully put its maritime aspect, "we have a one-and-a-half ocean navy to deal with a three ocean war." NATO deterrence/defense capabilities in Europe are also below the level of prudence. Credible protection of Persian Gulf oil demands far more of an effort than presently projected, especially in fast sealift/airlift and in regional facilities on which to base the RDF if we can get it there in time.

This disconnect between our strategic aims and our capabilities to achieve them is becoming increasingly critical at a time when nuclear deterrence on the cheap can no longer be so heavily relied upon to deter anything but nuclear escalation, yet when substituting conventional deterrence is exceedingly expensive. It is difficult to see how the United States can assure adequate conventional deterrence/defense in three widely separated geographic theaters without much higher defense outlays than are currently foreseeable, or much greater help from its allies.

To its credit, the Reagan Administration has launched a more vigorous attack on the "mismatch" problem than any of its last three predecessors. It has sought $1.6 trillion in defense authorizations for 1982–86. Unfortunately it also seems to have adopted an even more ambitious strategy. Rejecting the 1½–war or even 2½–war scenarios, it calls for developing the capability to meet an even wider range of global contingencies simultaneously if necessary, including "horizontal escalation" by carrying a war "to other arenas" more advantageous to us, if we are disadvantaged at the point of initial attack.[3] According to press leaks, a Pentagon study indicates that up to $750 billion more, a nearly 50-percent increase, would be required to provide the forces the Joint Chiefs

[3] Joseph Kraft, "Pros vs. Wingers," *The Washington Post*, April 27, 1982, p. A-19. See also Caspar W. Weinberger, *Annual Defense Department Report FY 1983*, U.S. Department of Defense, February 8, 1982, Washington: GPO, 1982, pp. I-14-17 (hereafter cited as *Posture Statement*).

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consider necessary to carry out this strategy.

Given current economic prospects, there is no way in which such huge add-ons are likely to be voted. Nor is it likely that our allies will be prepared to vote comparable increases to help close the gap. Even with economic recovery, neither the U.S. Congress nor allied parliaments will find such huge add-ons politically tolerable, except perhaps in a serious crisis—by which time they might well be too late. Hence the Administration, now that it has rediscovered the resource constraints endemic to free societies, has belatedly begun to face up to the necessity for choice.

This necessity is stimulating a lively strategic debate in Washington, which parallels the corollary debate over how much the United States can afford to spend on catching up with the Soviet military effort. Regrettably the professional body to which the Administration would logically turn for advice, the Joint Chiefs of Staff, is far less able to reassess strategy than to clamor for more resources, a systemic weakness which underlies the long-overdue need to reform the system by which the nation gets top level military advice.

Indeed, given the way the U.S. system works, how much does "strategy" in fact lay a peacetime basis for U.S. defense programs and force posture? As Under Secretary of Defense for Policy from 1979 to 1981, I sympathized with the JCS complaint about the "mismatch between our strategy and our resources," but found it essentially a plea for more resources to carry out the same old strategy. Indeed the "single service veto" makes the present JCS system institutionally incapable of choosing between different strategic options if Service oxen would be gored. As I then argued, to the extent resources remained constrained, we ought to rethink our strategy too, and try harder to gear our force posture to our strategic priorities. Instead it tends to be dictated by service parochialism and such domestic political considerations as which defense contractors get what. The systems analysis approach which dominates Defense Department decision-making also often dictates sub-optimal decisions based on weapons systems cost-effectiveness rather than on strategic needs. But the essence of peacetime strategic decision-making must be to face up to the tough choices between competing missions and related capabilities when we can't do everything we want.

IV

As the United States grapples with this necessity, two broad competing schools of thought have emerged in the Pentagon.

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Significantly, both schools accept the premise that credible deterrence now requires that the United States and its allies be prepared to fight a longer conventional war with the U.S.S.R.—not just achieve a brief conventional "pause" which serves primarily as a tripwire for nuclear escalation. This is not to say that the United States should abandon nuclear deterrence, or fail to maintain adequate capabilities for this purpose, but that in an era of nuclear stalemate such capabilities serve more to prevent the other side from nuclear escalation than to deter conventional conflict. According to Secretary of Defense Caspar Weinberger, the United States is not seeking to recapture nuclear superiority, as indicated by the fact that only 15 percent of his proposed five-year defense program—close to the historical average—is devoted to nuclear modernization.[4]

Both schools also recognize the need for maritime superiority, since sea control is indispensable to our overseas force projection strategy. But they differ sharply over what this means and what kind of navy is essential for the purpose. One school emphasizes maritime supremacy as the dominant consumer of constrained defense dollars. It believes that the United States, as a continental island, must put primary reliance on its ability not only to command the seas but to use them for offensive force projection against the U.S.S.R. The other school bases its case on traditional balance of power considerations, hence continues to stress a more balanced land/air/sea strategy and posture aimed at helping our allies hold on to such areas of vital interest as Northeast Asia, the Persian Gulf and Western Europe. It is most powerfully articulated by the U.S. Army.

The first school naturally tends to be more unilateralist in outlook, not relying unduly on what it regards as our feeble and weak-willed allies.[5] The second, believing that allied contributions are indispensable to any viable deterrent strategy, emphasizes rejuvenating our alliances and moving toward more of a coalition defense of those land areas around the Eurasian periphery which remain vital interests of the West.

The tension between these schools is reminiscent of the long-standing debate over "maritime strategy vs. continental commitment" which recurrently flared up in times past between the

[4] *Posture Statement*, p. I-17.

[5] Some of the most vocal advocates of a bigger navy also tend to be those who favor pulling troops out of Europe, often ignoring the fact that this would cost a great deal, not save money, unless the forces involved were demobilized.

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Admiralty and War Office of another island nation—the U.K.[6] It also reflects the same underlying constraint which fueled the earlier debates in Whitehall—the peacetime unwillingness of democratic governments to spend what is necessary for preparedness, even when they recognize that far higher costs in blood and treasure would result if unpreparedness leads to war. This constraint makes service competition for scarce budget dollars drive strategic argument in the United States—as earlier in the U.K.

At least the maritime supremacy school faces up to the fiscal facts of life and makes strategic choices. Since the United States must control the seas in any case to project force overseas, and because it (and its allies) are far more dependent on overseas trade and resources than the autarkic Soviet Union, the naval primacy advocates contend that the United States must cope with expanding Soviet naval capabilities even if the needs of other services suffer.

This traditional institutional preference of the U.S. Navy, like the Royal Navy before it, has acquired new relevance from what its adherents see as NATO's failure to generate sufficient capabilities to offer high-confidence defense of Western Europe, and the emergence of new threats to vital U.S. interests (such as Persian Gulf oil) from growing Soviet capabilities for force projection into the Third World. Ergo, this school criticizes what it regards as the Eurocentric focus of previous U.S. strategy, which even called until recently for "swinging" much of the U.S. fleet in the Pacific to the Atlantic in the event of a NATO-Warsaw Pact war.

In any case, it argues, allied shortcomings make credible land/air defense of Europe futile, while we lack sufficient allied help or even bases in the area to permit successful land/air defense of the Gulf oil fields. Therefore, to deter attack on them we must rely principally on threatened "horizontal escalation," a capability to retaliate against Soviet aggression where command of the sea confers a U.S. advantage—not where Soviet land power is at its closest and strongest, like Europe or the Persian Gulf. For example, why not develop the capacity to sweep the Soviet navy, its merchant fleet and fishing trawlers from the seas?

A related argument of the maritime supremacy school is that direct U.S. regional conflict with the Soviet Union could not be contained. Our forces at sea face each other at so many places, and are so mixed up together, that anti-submarine skippers or submarine captains would have to exercise the inherent right of

[6] See, for example, Michael Howard, *The Continental Commitment: The Dilemma of British Defence Policy in the Era of the Two World Wars*, London: Temple Smith, 1972; and Brian Bond, *British Military Policy between the Two World Wars*, Oxford: Oxford University Press, 1980.

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self-defense. This logically buttresses the "horizontal escalation" argument. If any regional conflict involving both superpowers will inevitably escalate in any case, then why not seize the initiative elsewhere?

Allied to this perception of likely rapid global expansion of any U.S./U.S.S.R. regional conflict is the maritime supremacy school's contention that the United States must be prepared to carry the war "simultaneously" to the enemy in all relevant theaters, at least at sea. From this presumably springs the costly requirement for at least 15 big-carrier battle groups, preferably nuclear-powered.

It is important to note at this point that the issue is not whether sea control is essential. It is—for any viable conventional strategy. The real issue is what kind of and how expensive a Navy we want. In the Carter Administration, Secretary of Defense Harold Brown's policy guidance for strategic and program planning also stressed the need for command of the sea whenever and wherever essential. But rather than near-simultaneity, with its large demands for big ships, he proposed to exploit the inherent flexibility of naval power for "sequential" operations, hitting the enemy first in one place and then shifting strike forces to hit them in another. For this, 12 big carriers were deemed to suffice.

The demand for 15 big-carrier battle groups is not generated primarily by the classic maritime mission of protecting sea lines of communication to permit vital trade and overseas reinforcement. Instead, these big fast carriers with their complement of costly F-14 and F-18 fighters and fighter-bombers and their accompanying *Aegis* cruisers for anti-bomber or missile protection, are designed primarily for offensive force projection against Soviet land targets—among other things to cripple the Soviet navy in its home bases. The maritime school sees this as the best way to maintain sea control, and to permit countervailing operations where the Soviets are most vulnerable.

These are legitimate strategic arguments, not Service propaganda that we must meet treaty commitments "to 40 nations," or that we need 600 ships or some other magic number. In fact, if one counts allied as well as U.S. ships, the present total is more than 900 ships, with more than double the tonnage of the ships of the U.S.S.R. and its allies.

V

Nonetheless, there are serious questions as to whether a strategy of maritime supremacy built around 15 big-carrier battle groups

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would suffice to protect our vital interests overseas. First, many critics contend that the big carrier is vulnerable to Soviet Naval Aviation *Backfire* bombers firing anti-ship missiles, as well as to cruise missiles and submarines. With Soviet sea-surveillance satellites combing the earth's oceans, can big-carrier task forces avoid detection and missiles fired at them from sea, air, and ultimately even land? Already most of the $17-billion cost of a new carrier battle group must be spent on self-protection, which leaves each carrier with only modest offensive power against land targets at realistic ranges—presently a dozen or so A-6 bombers carrying conventional bombs.

Are carrier-launched bombers the best way to attack shore targets anyway? Perhaps so for many Third World targets, but for attack against heavily defended targets on land, senior admirals like former Chief of Naval Operations Elmo Zumwalt argue that proliferating long-range cruise missiles like *Tomahawk* on existing and new ships provides a better and less vulnerable mode of attack. That the current Navy leadership is also persuaded of their efficacy is suggested by its plans to put over a thousand *Tomahawks* in submarines, cruisers, and even four refurbished battleships.

Nor do professionals like Admirals Zumwalt, Worth Bagley and Stansfield Turner see big carriers as essential for sea-lane control. Long before the civilian "reform caucus" in the Congress, they were arguing that we should invest instead in smaller carriers and in innovative new small ship technology like hydrofoil and twin-hull platforms and vertical or short takeoff (VSTOL) aircraft. In many respects, the transition of the Royal Navy to a primarily sea control force is a useful model.

In any event, how seriously could carrier strikes hurt a great Eurasian heartland power like the U.S.S.R.? This is the basic strategic flaw in the maritime supremacy strategy. Even if all Soviet ships were swept from the high seas and all Soviet home and overseas naval bases put out of action, could this prevent the U.S.S.R. from retaliating by overrunning Europe and the Middle East oil fields, emasculating or cowing China, or mounting a land-based missile and air threat to nearby Japan which would dwarf Hitler's 1944 V-1 and V-2 threat to wartime England? Sweeping up the Soviet navy, nibbling at the U.S.S.R.'s maritime flanks, even dealing with Soviet surrogates like Cuba, South Yemen, Ethiopia and Vietnam would hardly suffice to prevent a great Eurasian heartland power like the U.S.S.R. from dominating our chief allies, any more than naval superiority was decisive in

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defeating Germany in two world wars.

Thus a predominantly maritime strategy would offer little hope of preventing a decisive shift in the military balance of power against the United States and its remaining allies. Somehow, maritime strategists—whether in Whitehall or the Pentagon—tend to ignore those basic balance-of-power factors which compelled Britain for three centuries to intervene repeatedly on the Continent, and which must be the basis of U.S. strategy as well.

Another major flaw in the maritime strategy is that it would play hob with the alliance system itself. At a time when Soviet military capabilities are outstripping those of the United States, perhaps our most important remaining strategic advantage over the U.S.S.R. is that we are blessed with many rich allies, while the Soviets have only a few poor ones. This has enabled us collectively to fashion a mutual defense at far less cost than if we each had to defend ourselves alone.

But our chief allies would quickly perceive the implications of a maritime supremacy strategy, particularly if budget constraints compelled us to write off as unsustainable our land/air commitments to the defense of Western Europe and Persian Gulf oil. Few would welcome a maritime strategy aimed primarily at naval dominance, even if it protected their own trade, if the price were to expose them to defeat at home. Our already restive allies would correctly perceive such a U.S. strategy as at best a form of unilateral U.S. global interventionism and at worst a form of neoisolationism. Pressures for accommodation with the U.S.S.R. would be powerfully enhanced.

In fact, could the United States even conduct a successful "countervailing strategy" of sweeping the Soviets from the oceans and bottling them up in the narrow seas without active cooperation from our allies? Barring the Dardanelles would require Turkish participation. Closing the Baltic exits would be difficult without the Scandinavians and U.K. Penning up the Soviet Pacific Fleet in the Sea of Okhotsk would require the cooperation of Japan. If the United States could not guarantee their security, it is doubtful whether any of them would cooperate.

The maritime strategists also point out, inconsistently with their taste for horizontal escalation, that a NATO-Warsaw Pact conflict and even a direct Soviet thrust at Persian Gulf oil are the least likely contingencies. The more likely contingencies are in the volatile Third World, well suited for use of flexible naval power based on big carriers and strong Marine amphibious forces for forcible entry. True enough, but it is risky to fall prey to this

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"likelihood fallacy." By the same token, nuclear conflict is the least likely contingency of all; should we therefore not bother to maintain strong nuclear deterrent capabilities? Just because the likelihood of direct threats to our most vital interests is relatively low is no reason for not continuing to invest heavily in keeping them low. The Western alliance has survived the "loss" of Cuba, Nicaragua, Ethiopia, South Yemen, even Vietnam. Could it survive as well the loss of Europe or Persian Gulf oil?

VI

If maritime supremacy is a "no-win" strategy, does the alternative of rejuvenating our alliances via more rational burden sharing offer sufficient promise of credible conventional deterrence/defense of Western Europe, Northeast Asia and Persian Gulf oil at a politically acceptable cost? Here the issue is less one of military desirability than of economic feasibility and political will. The "coalition" school sees our present strategy as sound, and focuses chiefly on how to generate sufficient collective capabilities to make it work.

The Western coalition still dwarfs the Soviet bloc in overall economic strength. Moreover, the relative growth in allied gross national product (GNP) vis-à-vis that of the United States would logically suggest that the United States could expect its allies to assume a larger share of the burden of collective defense. To date, however, this has not occurred. While modestly increasing defense spending, none of our major allies has yet picked up much of the slack created by the diversion of U.S. resources to the Persian Gulf, or responded adequately to the alarming growth of Soviet military power. Japan, the ally with the second strongest economy, has contributed the lowest proportion to the common defense, behind even little Denmark in the proportion of GNP it spends.

Nor have the allies given much more than lip service to the concept of more rational burden sharing. Though the Western coalition still spends more collectively on defense than the entire Soviet bloc, paradoxically its high manpower costs, plus the waste and inefficiency inherent in its overlapping and duplicatory defense establishments, permit Soviet bloc defense investment to overshadow that of the allies.[7] National particularism and the

[7] The Defense Department's *Posture Statment*, *op. cit.*, p. II-7, estimates that Warsaw Pact military investment has exceeded that of NATO plus Japan since 1973, and is currently about 15 to 20 percent larger. Since NATO/Japan investment entails much larger duplication, lesser economies of scale and less interoperability than the Warsaw Pact's, however, the Defense Department speculates that the real bloc advantage is more like 30 to 40 percent.

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search for commercial advantage still reign supreme.

Given vigorous U.S. leadership (without which nothing much seems to happen in NATO), it might be possible to change the shape of this problem. The experience of the Carter Administration in attempting to fashion a stronger and more efficient NATO defense is instructive on this score. During the period from 1977 to 1980 it launched a comprehensive set of initiatives, including (1) a series of short-run "quick fix" defense improvements to demonstrate seriousness of purpose; (2) a proposed Long Term Defense Program designed to rectify through collective effort some of the most serious deficiencies in NATO capabilities; (3) a sizably increased NATO infrastructure program; (4) an effort to hold all allies to the three-percent real annual budget growth pledge adopted in 1977;[8] (5) expanded cooperation in armaments research development and production, spurred by a U.S. pledge to allow more of a "two-way street" in reciprocal procurement; and (6) expanded "host nation support" for U.S. forces. Note that all the above dealt with *conventional* force needs; only the seventh initiative, a proposed long-range theater nuclear force modernization (LRTNF) program, was aimed at preserving nuclear deterrent credibility during the period of conventional buildup. All told, these initiatives added up to a major attempt, the most wide-ranging ever launched in NATO, to realize the benefits inherent in a more effective coalition approach.

That this attempt has enjoyed only limited success to date seems attributable less to faulty design than to the economic downturn and accelerated inflation triggered partly by the second major round of oil price increases in 1979. In the event, even the modest three-percent real growth target proved too high, though it did serve (and is still serving) as a useful lever to jack up collective defense spending higher than otherwise—including that of the United States. The hardest nut to crack was greater armaments cooperation, but even here significant gains were registered in joint projects like U.S. adoption of the German 120-mm tank gun, purchase of other allied military equipment, and several innovative joint development projects.

Another cause of the slowdown was diversion of U.S. attention to the perceived threat to Western access to vital Persian Gulf oil, consequent upon the fall of the Shah of Iran and Soviet occupation of Afghanistan. By 1980 U.S. emphasis shifted to shoring up feeble Western deterrent capabilities in the Indian Ocean area. We

[8] This target level was not set because it was deemed militarily sufficient but because allied consensus deemed three-percent real growth the maximum politically feasible rate.

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warned our European and Japanese allies that this would necessarily involve significant diversions of resources otherwise earmarked for NATO and Pacific defense. At least this had the desirable impact of compelling U.S. and allied planners to face up to the necessity of a more "rational division of labor," as advocated by Chancellor Schmidt. Since only the United States has the costly long-range force projection capabilities needed for Persian Gulf deterrence/defense, and allied contributions could at best be only limited, it makes military sense for the allies to concentrate on shoring up their own home defense capabilities (compensating *inter alia* for any U.S. diversions). While the United States accepted Schmidt's concept, the European compensatory add-ons are as yet hard to find.

Though the 1977–79 initiatives have had only limited success (the next Administration's failure to keep pressing them added to their loss of momentum), a new incentive is coming increasingly into play. *To the extent that our allies perceive as we do the need for a stronger conventional deterrent to offset the declining credibility of the U.S. nuclear umbrella at a time of nuclear stalemate, it should be possible to fashion a stronger consensus to this end.* At the very least the United States should put this proposition to its allies.

However, a note of caution is necessary here too. Their memories of World War II's destructiveness still vivid, the Europeans are fearful of a replay which over time could create casualties and damage comparable to a nuclear exchange. U.S. talk of extended conventional conflict feeds these fears, besides entailing peacetime preparedness outlays that even constrained U.S. resources are inadequate to fund. Hence NATO must realistically continue to stress deterrence—as the best way to forestall in the first place a conventional as well as a nuclear war which no one could really win. A strong initial defense which can outlast a Soviet blitzkrieg maximizes deterrence; historically speaking, general staffs do not plan long wars; the attacker invariably seeks decision in the first campaign, knowing that if he fails, all else becomes uncertain. To do otherwise is just too risky, especially in a nuclear age.

Yet, is even initial conventional deterrence/defense of NATO Europe feasible at reasonably affordable cost? The Warsaw Pact threat is formidable, and at present NATO can only put up a thin linear defense without much depth to absorb an armor-heavy breakthrough. But this defense could be greatly strengthened by several relatively inexpensive defensive measures which, taken together, would hardly be beyond Alliance grasp. For example, NATO should capitalize on the fact that the urbanization of Central

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Europe is creating a form of urban barrier system which is already a serious obstacle to large-scale armored maneuver. If West Germany would reconsider its political reluctance to fortify the inner German border, this barrier could be supplemented by a classic economy of force measure, field fortification (my model is the old Siegfried line, not the Maginot) along the few well-known corridors of likely enemy advance. Manning this urban barrier system largely with additional reservist infantry units formed from the large pool of European conscripts would help create a defense in depth to slow down any Soviet blitzkrieg, while freeing up allied armored units for their optimal counterattack role.

Nor need NATO be mesmerized by misleading equipment counts like a three-to-one superiority of Warsaw Pact over NATO tanks. The equation is much more complex. Proliferation of ground and helicopter-launched anti-tank missiles, mines delivered dynamically on the battlefield by artillery and rocket launchers, and other defensive systems would all help to equalize the balance. Promising systems to attack Soviet follow-on forces at longer ranges are also under development.

NATO-Warsaw Pact comparisons also tend to leave out the main sources of rapid reinforcement—nearby France and the United States.[9] Using prepositioned equipment and flying over its forces, the United States plans to double its ground forces and triple its tactical air forces in Europe within less than two weeks, provided that the Europeans contribute bases, depots and other facilities, and some of the air/sealift. This "transatlantic bargain" is so favorable to Europe that it is hard to grasp why our allies (especially West Germany) still cavil over funding the modest NATO infrastructure increases required.

But perhaps the greatest single added input, through both forces and logistic support, could come from France. For example, it would be difficult to sustain for long the reinforcements the United States plans to send to NATO without additional lines of communication across France. Practical French cooperation with her allies, beyond what is already discreetly under way, is far more important than whether she rejoins NATO's military wing. Hence, it is to be hoped that France will examine whether the declining credibility of the U.S. nuclear umbrella does not force a reexamination of a policy which no longer accords with her own interests—and is certainly hard on her allies. It may not be too much

[9] A good example of this omission is the new official NATO release on *NATO and The Warsaw Pact: Force Comparisons*, undated but issued in May 1982.

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to say that whether NATO can achieve a credible non-nuclear initial defense posture in the crucial Center Region will depend on the key role played by France.

Of course, many other measures (especially high technology) are available to strengthen non-nuclear defense; the above were selected largely to show what could be done at reasonable cost, though they involve difficult political choices. As one measure of what added funding NATO needs, the Supreme Allied Commander, General Bernard Rogers, estimates that his new 1983–88 force goals could be met with only four-percent real defense budget growth. Assuming economic recovery, it is hard to believe that the Alliance could not afford added defense outlays of this size.

Deterrence/defense against a Soviet military threat to Persian Gulf oil is a trickier proposition. Only one thing is certain—that a maritime strategy of sweeping the Soviet fleet from the Indian Ocean could not prevent a Soviet sweep overland to seize the oil fields themselves. Nor could marines landing at the Straits of Hormuz. Sea power would only suffice to secure the oil access routes, of no strategic value if we lose the oil fields themselves. While the area's geographic remoteness and lack of adequate U.S. basing facilities would greatly handicap sustained U.S. defense of the oil fields, fast enough deployment of even limited forces to create a "tripwire" would compel Moscow to consider the risks of direct U.S.–Soviet confrontation if it pressed home an attack. In considering the deterrent value of such a Rapid Deployment Force, it is worth remembering that neither superpower has seen to take on the other directly.

VII

The rapid economic growth of Japan, and the emerging parallelism of strategic interest between China, Japan and the United States, make East Asia the theater offering the most interesting new strategic opportunities. With the world's third largest GNP and still impressive economic growth, Japan's defense outlays of less than nine-tenths of one percent of GNP make it an obvious candidate for greater burden sharing, especially when it is the largest single consumer of Persian Gulf oil. Moreover, Japan's selfish reliance on U.S. and South Korean taxpayers for the better part of its own defense smacks of a "free ride" which enhances Japan's commercial competitiveness at the expense of its allies. Under these circumstances, Japan is becoming a favorite target of U.S. defense planners, seeking ways of getting Japan to contribute more to its own defense, including that of the adjacent sea lanes

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on which its livelihood depends.

Given Japan's special political problems, its further contributions to the common defense could be largely indirect. Increased Japanese economic aid to threatened countries around the Soviet periphery would free these countries to spend more of their own resources on defense. For example, South Korea has a good case in seeking concessional loans from Japan, on the ground that Korea, in spending over six percent of GNP on its own defense, is providing Japan a better defensive buffer zone.

The parallel strategic interest of the United States, Japan and China in deterring the U.S.S.R. also creates a potential two-front threat-in-being which Moscow cannot ignore. Already from one-fourth to one-third of Soviet conventional forces are tied down opposite China and Japan, even though neither nation has much offensive capability for threatening Soviet territory. Offering Western technology, financed directly or indirectly by Japanese loans, to strengthen China's defensive capabilities would be a classic strategic option, historically employed to deter a strong opponent by confronting it with risks of a two-front conflict.

On the other hand, if reducing the likelihood that the United State might be confronted (as the JCS fear) with a simultaneous "three front" war is strategically desirable, the most promising prospects also lie in East Asia.[10] In all likelihood, Japan and China would see advantage in remaining neutral, at least initially, in the event of a U.S.-Soviet clash. So would Vietnam. With little offensive capability, they would stand to lose far more than they gained by becoming belligerents. Moreover, it is hard to see what the U.S.S.R. would gain from attacking Japan and China until it had achieved its logical wartime objectives in Western Europe and the Persian Gulf. On this score it is worth remembering how Japan and the U.S.S.R. stayed neutral vis-à-vis each other throughout most of World War II. A reexamination of U.S. Pacific strategy in the light of such real-life possibilities seems long overdue.

VIII

In sum, a skillfully executed coalition strategy would seem to offer a reasonable prospect of achieving credible non-nuclear deterrence/defense in the three main regions of vital U.S. interest. Naturally the United States must also be prepared to meet lesser

[10] It is interesting that the maritime supremacy school never suggests that the United States pull back forces from Northeast Asia, even though our chief ally in that area is the very ally which contributes proportionally least to collective defense. Could it be because the Pacific is a Navy-dominated theater?

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contingencies in other regions, but these are hardly the chief determinants of the size of our defense spending. Moreover, still lurking in the background would be the threat of nuclear escalation if such deterrence/defense failed.

But will even modest added investment on the order of four-percent real growth in defense spending be forthcoming, and will it suffice against growing Soviet force projection capabilities? The prospects will depend on several factors: (1) sufficient Western economic recovery to facilitate higher defense spending; (2) growing allied realization that nuclear stalemate at ever higher levels of destructiveness dictates greater investment in non-nuclear defense; (3) positive and consistent U.S. leadership aimed at achieving these preconditions; and (4) last but not least—and equally dependent on U.S. leadership—more rational burden sharing on a scale not achieved since World War II itself.

Whether this last is achievable will basically determine whether a politically realistic rate of increase in defense spending will suffice to meet coalition needs. As Secretary Brown used to tell his fellow NATO defense ministers, if NATO only could increase total defense spending in real terms by three percent per year, and at the same time achieve an additional three-percent per annum increase in the efficiency with which it spends these still constrained resources, we might be in shooting distance of the goal. Nor is this an issue for NATO alone. Since our vital interests are global in scope, similar increases—and similar improvements in input/output ratios—would be essential in the East Asian theater and the Persian Gulf.

Actual experience in peacetime cooperative programs over the last 35 years is cause for both hope and despair. In a real sense NATO has already achieved a level of peacetime defense cooperation unique in the history of alliances. It has a functioning peacetime command structure, a variety of multinationally funded programs, and a frequently updated set of common plans and force goals. But these accomplishments tend to mask the fact that NATO is still basically a classic alliance of sovereign states—composed of 14 disparate national force structures each with its own doctrine, procedures, tactics and equipment, its own national logistic support, research/development, procurement, and training establishment and overhead. The wasteful overlap and duplication are enormous. Lack of standardized or even interoperable equipment is more the norm than the exception. That more has not been done, despite recurrent efforts over the years, is testimony both to the strength of local nationalism and to the potentialities if only this and other obstacles could be overcome.

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In fact, the steps to rationalize NATO's defense posture started in 1977–79 as the result of U.S. initiatives suggest what determined and consistent leadership might be able to accomplish. Europe's continued dependence on U.S. military support, no less essential in the conventional than in the nuclear sphere, tends to make it responsive over time. Among the many possibilities, the Long Term Defense Program initiatives for an integrated air defense, a common command/control/communication program, standardized electronic warfare systems and common munitions stockpiles deserve to be reinvigorated. As called for by the recent Roth-Glenn-Nunn Amendment passed almost unanimously by the U.S. Senate, we must pool alliance industrial resources more efficiently to avoid wasteful duplication and achieve economies of scale. Standardization and interoperability must also be insisted upon by governments and parliaments, lest their lack lead to the prospect of NATO disaster on the battlefield against much more homogeneous Warsaw Pact forces.

IX

Up to this point neither of the two contending schools of strategy has yet achieved a dominant position. Indeed, it is unlikely that a clear declaratory choice would or should be made between them in real life. There are important virtues in ambiguity. Moreover, judging from Secretary Weinberger's statements and his latest annual report, he embraces the objectives of both schools. He seeks enough defense spending to meet "simultaneously" all requirements for both—and for doing more in yet other areas of the globe. But the Administration's ambitious call for an eclectic strategy and posture, even including costly preparations to sustain a protracted conventional war, is hardly realistic either. The reported Pentagon estimate that at full funding the Administration's declared strategy would require $750 billion more than the $1.6 trillion now projected may be a slight exaggeration—but if it is even approximately correct the amounts would be politically impossible. Given current economic difficulties, on top of the resource constraints on defense spending endemic in democratic states, something will have to give.

Thus, regardless of the Administration's declaratory strategy, U.S. defense budgets will have to be stretched out. The Administration and Congress will have to confront tough choices between strategic missions and between various capabilities to carry them out. These choices will over time be tantamount to deciding which strategy will in fact predominate.

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Indeed, this seems to be happening already. The kind of 600-ship navy being sought by the Administration and Congress is proving to be so expensive as to be achievable only at the expense of other critical defense needs. Only the Navy has received major force structure increases; those requested by other Services have been mostly deferred. The Navy is the only Service whose share of the FY 1983 budget request has been significantly increased over its FY 1982 share, largely in order to fund two new big carriers in one year. In a decision with major strategic overtones, the Senate authorized these carriers but deferred procurement of the new AH-64 attack helicopter (with its high-quality *Hellfire* missile), which the Army is depending on for NATO defense against Warsaw Pact armor and for coping with a Soviet armored thrust into the Persian Gulf oil region. This illustrates how, if the United States funds a 600-ship Navy built around 15 big-carrier battle groups, it may be impossible to equip adequately either our NATO-oriented ground/air forces or the kind of RDF we need. In short, the Administration and Congress may be backing into a maritime supremacy strategy by default, even if this is not their intent.

Hence it is crucially important that such choices among competing resource allocations be illuminated by a clearer perception of their likely strategic consequences. For these consequences will not be lost on our alert enemies or allies, who carefully analyze what we build as well as what we say. Illuminating these choices is the central purpose of this article.

If we opt consciously for a maritime supremacy strategy, based on the kind of massive naval buildup the Navy seeks, let us recognize that resource constraints will probably dictate that this be at significant expense to already inadequate NATO and Persian Gulf commitments. Let us also recognize how much this will undermine the network of alliances on which the United States must increasingly depend. Indeed, the basic flaw in any maritime supremacy strategy is that it does not suffice to protect the vital strategic interests in Europe, Northeast Asia and the Persian Gulf which we share with our allies.

On the other hand, the basic flaw in a more ambitious coalition strategy aimed at protecting these interests is that the coalition may be unable to generate collectively sufficient conventional capabilities to do so. Almost inevitably, given the decline of U.S. economic power vis-à-vis our allies at a time when nuclear stalemate dictates greater reliance on far more costly conventional forces, the United States will have to seek greater sharing of the common burden from our industrialized allies. If only modestly

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increased U.S. and allied defense spending is in prospect, then all will depend on whether we can spend that money more efficiently, via greater and more rational burden sharing and increased Alliance cooperation—on a scale never achieved before.

On balance, however, the advantages of the coalition approach so far outweigh those of a primarily maritime strategy that the most sensible course would be to try. What other alternative do we really have? America would find it difficult to live and prosper in a world in which we dominated the seas but our chief competitor dominated the economic resources of the Eurasian land mass.

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General Bernard W. Rogers

THE ATLANTIC ALLIANCE: PRESCRIPTIONS FOR A DIFFICULT DECADE

Since the end of World War II, Europe and North America have enjoyed an unprecedented era of peace. The central framework for maintaining that peace has been the North Atlantic Alliance and its permanent organization, NATO. Created to secure the West against aggression through a mutual defense system, NATO has proved remarkably successful in meeting a variety of challenges over the years. It has done so because Western leaders and the overwhelming majority of their countrymen have recognized the virtues of collective security for nations whose fundamental interests are held so closely in common.

The Alliance today faces a more complex set of challenges than perhaps at any time in its history. Paramount among them is the unrelenting growth of Soviet military power which is coupled to, if not the major inspiration for, the current expansionism in Soviet foreign policy. The global nature of Soviet military power adds a new dimension to traditional concerns, for it poses a menace to the vital worldwide interests of a regionally bounded Alliance. Over the years the Alliance has formulated responses to the threats which face it. Programs for security improvements grow within the integrated military structure. Political commitments to these programs are renewed at NATO ministerial meetings. Yet, to an uncomfortable degree, these programs have fallen short of fulfillment.

The reasons for nations' reluctance to carry out agreed defense commitments go beyond the current economic slowdown in the West, although that is the proximate cause. In the debates over security policy throughout the Alliance there is evidence of deeper public concerns over basic Alliance purposes and over the viability of Alliance efforts to achieve them. Thus, in this fourth decade of

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NATO, it would seem appropriate to reaffirm what it is we seek to achieve and to elaborate clearly for our publics how we propose to get there.

The first step in that process is to renew our understanding of and commitment to the basic objectives which brought our nations together in this unique experiment in collective security. There is no real debate over the central principle on which the Alliance was formed: to preserve the peace while maintaining our freedom intact. We have succeeded in that primary goal. But this is the nuclear age and knowledge of the terrible destructiveness of modern weaponry has placed a premium on a corollary security objective, the scope of which transcends NATO and which is desired by all—the governments of the Alliance, the demonstrating minority, the quiet yet concerned majority—all of us. Simply put, we seek a more stable and less hostile world order. It has long been a Western aspiration to find a way of preventing war through limitations on the means to wage it. Thus, beyond our longstanding objective of maintaining peace with freedom, we must acknowledge that the objective of a stable world order with reduced levels of arms and forces is also fundamental to our security.

II

Our basic Western security objectives, then, require the search for a viable means of transforming a competitive international system which places a heavy defense burden upon our societies into a less hostile relationship among nations. How to accomplish this transformation is not only vital for the future course of the world, but also of immediate relevance to the Atlantic Alliance because a vocal minority among our citizens question whether freedom is worth protecting at the costs modern deterrence and defense entail. Some take their argument further and call for unilateral disarmament by the West.

The notion that peace and freedom in the West are divisible constitutes nothing less than a repudiation of Western postwar achievements. Pacifism, neutralism and unilateralism can lead only to the eventual acquiescence to Soviet will. The peace, to be sure, can be achieved in the short run through deliberate concessions, but such a peace would come at an inevitably terrible cost as the burden of demands from the East became intolerable. We would then face the choice of having to defend what we value from a position of military inferiority or go the last steps in surrendering those values which make us distinguishable as Western civilization.

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The way ahead for the West lies neither in acquiescence to the Soviet menace nor in untempered hostility toward and lack of dialogue with the Kremlin. The former course would be a recipe for surrender, the latter a denial of hope for the future. Rather, the most promising path toward achieving our security objectives—indeed there seems to be no alternative—lies in the deliberate Alliance-wide pursuit of a comprehensive array of equitable and verifiable arms reduction accords and arms control measures which can lead to reduced and balanced levels for *all* categories of forces. Only such accords can result in lowered levels of military capability for aggression and reduce apprehension and increase confidence between potential adversaries. Verifiable arms control measures, such as limits on numbers of types of nuclear missiles, numbers of warheads per missile and ceilings on forward-deployed conventional forces, can inject a greater degree of predictability into the military situation which encompasses the superpowers and their allies. In turn, that predictability adds to the manageability, and thereby the stability, of the military situation.

To those who argue that meaningful measures of arms control and reductions are unachievable given the record of intransigence by the Soviet Union, I would respond that the incentives for the Soviet Union to share the Western interest in such accords are growing. First, there is the ineluctable high priority the Soviet leadership must assign to avoiding the awesome destructiveness of nuclear war. Second, current and prospective economic difficulties in the Soviet Union are so severe that surely it is in the Soviet interest to devote some portion of that 13 to 15 percent of gross domestic product being spent annually on military growth to overcome the major problems in other sectors.

Further, the historical context of East-West arms control accords reflects Soviet willingness to agree to measures that enhance Soviet security even if they are in Western interests as well. It should not be forgotten that the Soviet leaders resisted for some time any entry into negotiations on intermediate-range nuclear forces. As we have seen with their about-face on entering into such negotiations, Soviet intransigence in specific arms control areas often breaks down in the face of resolute Western action.

III

While incentives exist in both East and West to pursue arms reductions and controls, they alone are not sufficient to bring about reorientation of Soviet foreign policy from its expansionist tendencies. That expansionism has been inspired partly by ideol-

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ogy but also by increasing Soviet confidence in the ascendancy of their arms and their ability to use military power for political gain. If we have any hopes of succeeding in negotiating arms reductions and control measures, two further conditions—one political, one military but demanding considerable political will—must be met. First, the NATO allies must convey to the East an impression of political unity and cohesion. Second, the Alliance must display military strength and the resolve to maintain that strength at levels sufficient for deterrence.

The current transatlantic tension is not the sole impediment to NATO's unity and cohesion, but it would seem to be the most serious dimension, and it must be reduced if we are to create the necessary perception of Alliance solidarity. American complaints tend to center on three areas: a belief that Europeans are not bearing their full share of the defense burden; an impression that a tide of anti-Americanism is sweeping across Europe; and a suspicion that Europe expects Americans to take all the nuclear risks. For their part, Europeans are unhappy at the perceived stridency and militancy of tone in the rhetoric of U.S. foreign policy; tend to believe that the United States would rather confront than negotiate; and resent that Americans do not seem to appreciate the burdens that Western Europe does bear, to include being the theater in which war, perhaps a nuclear war, would be fought.

The debate over burden sharing is not new, but it seems at present to be particularly ill informed. Many of the facts about the actual European share of the Alliance load are poorly understood in the United States. For example, in the 1970s European spending for defense increased at a rate of two percent per year while American spending decreased by nearly that figure. If Allied Command Europe were to enter into a conflict tomorrow, 90 percent of the ground forces and three-quarters of the air and maritime forces initially committed to it would be West European. There are also hidden costs to the Europeans associated with such less evident but essential contributions as the real estate provided free for about 900 U.S. military facilities in Western Europe and for over 70 allied bases (built at a cost of $2.5 billion) which will be shared by America's reinforcing air squadrons.

Nor does the image of rampant anti-Americanism spreading across Europe correspond to the facts. While the media may highlight the demonstrations which take place in the free, democratic European societies, poll after poll reveals that the vast majority of West Europeans have a positive impression of the

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United States and desire continued friendship with it. Americans must also remember that their forces are in Europe not as an act of charity, but due to the sure knowledge that American security is best preserved through a collective approach and a forward strategy, not by a "go-it-alone" neoisolationism. The simple fact is that the United States could not retain the freedoms or the prosperity it knows today through some alternative "Fortress America" concept.

In particular, the United States must not in a time of pique and anger take some arbitrary and inevitably disastrous action, such as withdrawing its forces from Europe. Such a step would not only be counter to the vital interests of the United States which are inextricably linked with Western Europe, but it would unravel the Alliance, cause West Europeans to do less for defense, and facilitate the Soviet long-term objective of dominating Western Europe without ever having to risk hostilities.

Europeans must also do their part in repairing the Atlantic bridge. The younger generation of Europeans seem not to have learned of America's postwar role in enabling European recovery. A number of Europeans do not seem to understand—or accept—the distinct qualitative differences between the United States and the U.S.S.R. The tendency to place the two superpowers together on the same moral plane reflects an inadequate appreciation of the distinctions between democracy and totalitarianism, between an alliance of sovereign nations and a pact controlled by one, and the search for stability contrasted with expansionism.

There is also a need for Europeans of all ages to adjust to the security implications of global interdependence. The United States has accepted the worldwide responsibility for protecting the collective interests of its allies and needs assistance in carrying it out. More European leaders should voice support of this initiative. They should also speak out against the occasional anti-American outbursts that occur in their nations. Some do, but it takes an extraordinary effort in stressing the laudable record of Atlantic partnership to gain media attention equivalent to that accorded each peace demonstration in Europe.

It is in the interests of both America and Western Europe to ease the current atmosphere of tension by reconciling their cross-perceptions. It can be done if both sides are patient enough to listen and wise enough to accommodate the separate interests and problems peculiar to allies.

Saying that better transatlantic understanding is required is not to imply the need for an era of monolithic response by the Alliance

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to all occasions or issues that confront it. There are national interests within NATO that cut across the grain of Alliance consensus or unanimity. Thus, we must expect that on some issues pragmatic self-interest may guide Alliance relationships. When this occurs, we should not leave the field free for those who, for whatever reasons, would exaggerate or exploit our differences at the expense of the constructive aspects of the Alliance.

In sum, on both sides of the Atlantic there is a need to accentuate the positive. As allies we have at stake far too much of mutual value to risk self-satisfying recriminations. They serve only to poison the well from which we should now be drawing to refresh our faith in each other and to ensure that our unity is recognized clearly by the Warsaw Pact. There is no single more salient instrument for conveying that solidarity than full and consistent implementation of NATO's two-track decision to modernize its intermediate-range nuclear forces (INF) and to pursue negotiations with the Soviet Union to reduce and balance such forces. That decision of December 1979, reached after thorough Alliance consultation, is no less than an expression of our most fundamental objectives: to take necessary collective action in defense of peace and freedom, while seeking to advance our aspirations for a more stable international environment. Furthermore, let us not lose sight of the fact that it is NATO's *intent* to deploy the modern INF missiles which constitutes the most compelling, perhaps the only, blue chip on the table for our negotiator at Geneva.

IV

Along with restoring the perception of political solidarity and unity, if we are to be successful in negotiating arms reductions accords and control measures, the Alliance must be seen as possessing a posture that is militarily strong and resolute. In other words, the Alliance must be capable of implementing its strategy. In the days of the West's nuclear superiority, a "tripwire" strategy of "massive retaliation" that posited the early use of strategic nuclear weapons made sense. But a decade and a half ago, as the Soviets strove for strategic nuclear parity, NATO recognized the inefficacy of that concept and adopted its current deterrent strategy of flexible response, one which is still appropriate today if adequate forces are made available. That strategy is deliberately vague about the precise nature of NATO's response to aggression, but it envisions three types of military response:

— *direct defense* to defeat an attack *or* place the burden of

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escalation on the enemy;
— *deliberate escalation* on NATO's part; and
— *general nuclear response*, the ultimate guarantor of deterrence.

If flexible response is to be credible, it must be supported by an adequate military capability for each leg of the NATO triad of forces—strategic nuclear, theater nuclear and conventional. Today, in each of these force categories, NATO has been surpassed by the Warsaw Pact. However, at the strategic nuclear level, the United States and the United Kingdom are taking actions to ensure the continued deterrent value of Alliance strategic nuclear forces. At the theater nuclear level, NATO's two-track program of force modernization and negotiations is aimed at restoring the balance lost over the past several years and filling a gap in our spectrum of deterrence. Last November, President Reagan took the initiative to propose to the Soviet Union a "zero-level" of land-based, intermediate-range missiles. That proposal struck a responsive chord in the West, and NATO's continuing preparations for the deployment of its own intermediate-range missiles (Pershing II missiles and ground-launched cruise missiles) are the central motivation for the Soviets to continue to negotiate, and, in a serious vein.

The destructive power of nuclear weapons and the grave risk of rapid escalation to a general nuclear exchange which could result from the first use of theater nuclear weapons are persuasive arguments for keeping the nuclear threshold in Europe as high as possible. That can only be done by maintaining adequate conventional forces, the third leg of our triad.

NATO's commitment to the strengthening of its conventional forces was implicit in adopting the strategy of flexible response in 1967. The intention to provide a stronger conventional deterrent has been reaffirmed by NATO's Long Term Defense Program, adopted in 1978, and by national commitments to the biennially agreed NATO Force Goals. However, despite these repeated expressions of intent to bolster conventional capabilities, nations have fallen quite short of their fulfillment and cannot realize them at current levels of effort. Although Allied Command Europe gets stronger every year, the gap between the conventional force capabilities of NATO and those of the Warsaw Pact gets wider each year. This gap is exacerbated by NATO's shortcomings, relative to the Warsaw Pact, in its ability to sustain its forces in combat with personnel replacements, ready reserve units, stockpiled ammunition and pre-positioned reserve combat equipment. Currently, we must measure our ability to sustain combat in Europe in days,

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whereas we can estimate the Warsaw Pact's sustainability in weeks or months.

In short, Alliance conventional capabilities today are clearly inadequate to meet the growing Warsaw Pact conventional threat. Instead of possessing the variety of capabilities which would truly translate into flexibility in response, NATO is left in a posture that in reality can only support a strategy more accurately labeled a "delayed tripwire." The amount of delay following a conventional Warsaw Pact attack before the tripwire would be activated and NATO would face resorting to the nuclear option would depend on such variables as length of warning time and the timeliness and appropriateness of decisions taken by political authorities. Against large-scale conventional aggression, even with adequate warning and timely political decisions, our posture might at best be sufficient to allow NATO only the time and security necessary to deliberate and escalate to the use of nuclear weapons. We must not delude ourselves—NATO's continuing failure to fulfill its conventional needs means that we now must depend upon the use of theater nuclear weapons to accomplish our missions of deterrence *and* defense.

There is a more acceptable alternative to this posture, namely to acquire a conventional capability that would provide a good prospect of success in the forward defense of Europe. To be capable of such a defense does not demand that we match Warsaw Pact land and air power on the continent division for division, tank for tank and plane for plane. Nor does it entail a buildup of such proportions that it might be construed as an offensive threat to the Warsaw Pact. We do need some increase in numbers of forces to offset Soviet military growth, but far more important to success is the enhancement of our ability to do better with our forces in being and to carry out the essential modernization of those forces.

In operational terms, we need the capability to hold the lead divisions of a major Warsaw Pact conventional attack while we conduct an effective interdiction and destruction campaign with conventional means against its follow-on forces, thereby neutralizing them before their weight can be brought to bear at the front lines. Such capability will also provide us the opportunity to carry out counterattacks to reverse the flow of battle. We must also exploit electronic warfare to a much greater extent than we do now so that we can blind our adversary's radar and interrupt the centralized direction of his operational forces. At the same time, we must have greater assurance in our ability to control the sea

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lanes to Europe and to win the air war over the continent.

The concept for the conventional destruction of the Pact follow-on forces has been developed by the Supreme Allied Command (SHAPE), utilizing the good work in this field by several of our nations. The concept is now a part of Allied Command Europe doctrine; our current challenge, should a contingency occur, would be to exploit it as best we might with present conventional means. Meanwhile, major efforts must be expended to encourage nations to develop and procure the advanced technological targeting and weapons systems that will make the application of the concept most effective.

The provision of such a robust conventional capability for NATO not only would enhance deterrence and raise the nuclear threshold, but would face the Warsaw Pact—should it attack conventionally and its attack be frustrated—with either having to be the first to escalate to theater nuclear weapons or withdrawing its forces. Faced with that prospect, I do not believe Soviet leaders would initiate aggression. I believe that they are no more anxious than NATO to escalate and cross the nuclear threshold; their uncertainty as to whether employment of theater nuclear weapons would soon escalate to a strategic nuclear exchange is surely as great as ours. I cannot believe that there is any Soviet leader, current or future, who would wish to expose his people to the potential destruction of such an exchange.

Moreover, the "zero-level" proposal for intermediate-range nuclear forces creates an additional reason for NATO to acquire a strengthened conventional posture. In a "zero-level" INF era and in the absence of improved conventional capabilities, NATO's deterrent spectrum would consist of its heavily disadvantaged conventional forces on one end and its strategic nuclear systems on the other, with the only escalatory option coupling the extremes being relatively short-range nuclear weapons, most of which could only be employed on Alliance soil. Few, if any, could put Soviet soil at risk. Achievement of the "zero-level" outcome will reinforce the need for a high sense of confidence in the strength of NATO's conventional capability.

V

To say that NATO should strive to attain a conventional posture which would constitute a credible deterrent to Warsaw Pact conventional aggression is not to imply that the Alliance should also now declare a "no-first-use" policy for its nuclear weapons, as

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has been suggested recently in these pages. The single most important factor in restraining Soviet aggression will always be that chasm of uncertainty about Western readiness to cross the nuclear threshold. Despite their greatly improved theater nuclear capabilities, Soviet leaders can never totally discount NATO's willingness to resort to nuclear weapons in its defense as long as NATO maintains the capability and the policy flexibility to do so. Moreover, even if we were to develop a conventional defense during this decade along the lines described, we could never be *certain* of success without eventual recourse to nuclear weapons. (We should also not lose sight of the tactical advantage to the defender resulting from his threatened use of nuclear weapons serving as a restraint on the tactical massing of Warsaw Pact forces preparatory to an attack.)

Another inherent danger of declared no-first-use is that many in Europe and the United States would see such a policy as a limitation on the American commitment to European security. This might well create a situation in which the final guarantor of deterrence—the U.S. strategic nuclear arsenal—would be viewed as divorced from the fate of Europe. Would that foster Alliance solidarity and the credibility of our deterrent or undermine them? Further, declaring a no-first-use policy and then trying to develop the conventional capability to make the policy feasible would seem to be putting the cart before the horse.

Hence, while I argue that the nuclear threshold in Europe can and should be raised by improving NATO's conventional capabilities, *realistic* deterrence in Europe will continue to require the plausible threat of nuclear escalation by NATO. In sum, NATO's ability to deter would be jeopardized as much, or more, by eliminating the flexibility to escalate than it would by continuing the current inflexible posture of having to escalate in order to defend successfully.

If any declaratory policies are espoused, I would hope they would continue to be along the lines that NATO will never commit aggression against the Warsaw Pact—or anyone else—but, if attacked, NATO will keep all its options open so as to convince the aggressor that the risks and penalties of attacking would outweigh any potential gains to him.

VI

The principal argument against providing NATO an adequate conventional deterrent has always been its presumed high cost. However, attaining the conventional capability I describe is fea-

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sible at levels of national defense expenditure which are not so great as most imagine. It can generally be achieved by the end of this decade if all nations will only fulfill in full the commitments they have made for force improvements included in the Force Goals for 1983–88. We calculate at SHAPE that meeting these goals will require an average annual real increase in Alliance defense spending of about four percent for these six years. (This constitutes only one percent more than the goal of a three-percent annual real increase to which nations agreed in 1977.) For some nations the annual increase required would be more than four percent; for other, less. However, I hasten to add that, in my judgment, the performance of nations should not be measured by any individual annual percentage real increase in defense expenditures; figures can be skewed or funds spent for defense projects not included in Force Goal improvements. Rather I believe that a nation's performance should be judged by how well it meets its force improvement commitments set forth in the agreed Force Goals.

To be sure, such a sustained increase in Western defense spending would constitute a substantial economic challenge for nations struggling with recession, unemployment and exorbitant energy costs; but it can be done if our nations resolve to do so. The Alliance has the necessary resources. It will require some tough choices; but better to make them now while they are still ours to make and are within a reasonable range of affordability. Most of all, however, an increase in defense spending as proposed will require that the peoples of our nations, especially in Western Europe, be convinced that the growing imbalance in force capabilities poses a menace to their future freedom and security. Only when parliaments hear their peoples saying that they are prepared to make sacrifices to improve security arrangements will nations give defense the necessary high priority in the allocation of national resources. In this regard it would seem that the American people have gotten the word and are prepared to sacrifice for security. It is most important that they continue to set the example for the rest of the allies.

Our peoples will ask whether there is any hope, even with all this investment in defense. They will want to be assured that not only will deterrence be enhanced in the short term, but that their sacrifices will lead to our objective of a more stable world order based on lowered levels of arms and forces. They will want to know that what is being suggested offers the best prospect for reducing the threat to our security, without war and with their

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freedom intact.

I submit that the answers can be in the affirmative. The military situation for NATO as a defensive Alliance is not yet unmanageable, not beyond restoration. For the past three decades, the NATO allies have mustered their collective resources to provide the strength necessary to keep the peace and prosper as free societies; we can continue to do so if we resolve that we will do so. Our surest course will be for NATO to demonstrate unity, resolve, strength and consistency of purpose, characteristics which will, more than anything else, give our principal adversary compelling reasons to seek genuine and lasting accords with the West predicated on reduced and balanced levels of forces.

VII

There are some obvious paradoxes in what I have been suggesting. As a defensive Alliance we do not need to match the Warsaw Pact in forces or equipment, yet we must set defense expenditures higher than we would like since we are not afforded the luxury of setting them unrelated to the unabated military growth of the Warsaw Pact. We depend ultimately on our nuclear strength to deter the most ominous threat to our security, yet building a more capable conventional force posture has become more crucial than at any time in the postwar era. Our objective is a stable world environment with reduced levels of arms and forces, yet we must increase our levels today in order to be successful in negotiating their reduction in the future. This in turn requires that our peoples must make sacrifices today to enhance their security so that tomorrow their sacrifices can be reduced, without risk to their freedom. Then our nations can devote a greater share of their resources to the further social progress to which all of our peoples aspire.

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Karl Kaiser
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NUCLEAR WEAPONS AND THE PRESERVATION OF PEACE

A Response to an American Proposal for Renouncing the First Use of Nuclear Weapons

The appropriate strategy for the use of nuclear weapons has been the subject of discussion since the North Atlantic Alliance was founded. Open debate on these problems is part of the natural foundations of an Alliance consisting of democracies which relate to each other as sovereign partners. It is not the first time in the history of the Alliance that fears about the danger of nuclear war have caused concern and anxieties in all member countries, although these are more pronounced today than before. They must be taken seriously. The questions posed demand convincing answers, for in a democracy, policy on questions of peace and war requires constantly renewed legitimization.

When McGeorge Bundy, George F. Kennan, Robert S. McNamara and Gerard Smith submit a proposal to renounce the first use of nuclear weapons in Europe,[1] the mere fact that it comes from respected American personalities with long years of

[1] "Nuclear Weapons and the Atlantic Alliance," published simultaneously in *Europa-Archiv*, No. 7, 1982, and *Foreign Affairs*, Spring 1982, pp. 753–768. Page citations in the body of this article are to *Foreign Affairs*.

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experience in questions of security policy and the Alliance gives it particular weight. Their reflections must be taken particularly seriously in a country like the Federal Republic of Germany which has a special interest in preserving peace, because in case of war nuclear weapons could first be used on its territory.

All responsible people must face the issues of the discussion initiated by the four authors. It is necessary to think through all questions posed and not to select only those ideas which cater to widespread anxieties. What matters most is to concentrate not only on the prevention of nuclear war, but on how to prevent *any* war, conventional war as well. The decisive criterion in evaluating this proposal—like any new proposal—must be: Will it contribute to preserving, into the future, the peace and freedom of the last three decades?

Unfortunately, the current discussion on both sides of the Atlantic about the four authors' proposal has been rendered more difficult by a confusion between the option of the "first use" of nuclear weapons and the capability for a "first strike" with nuclear weapons. The authors themselves have unintentionally contributed to this confusion by using both terms. "First use" refers to the first use of a nuclear weapon regardless of its yield and place; even blowing up a bridge with a nuclear weapon in one's own territory would represent a first use. "First strike" refers to a preemptive disarming nuclear strike aimed at eliminating as completely as possible the entire strategic potential of the adversary. A first strike by the Alliance is not a relevant issue; such a strike must remain unthinkable in the future as it is now and has been in the past. The matter for debate should be exclusively the defensive first use of nuclear weapons by the Western Alliance.

II

The current NATO strategy of flexible response is intended to discourage an adversary from using or threatening the use of military force by confronting him with a full spectrum of deterrence and hence with an uncalculable risk. The strategy also aims at improving the tools of crisis management as a means of preventing conflict. The deterrent effect of the doctrine rests on three pillars:

— the political determination of all Alliance members to resist jointly any form of aggression or blackmail;
— the capability of the Alliance to react effectively at every level of aggression; and
— the flexibility to choose between different possible reactions—conventional or nuclear.

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The primary goal of this strategy is the prevention of war. To this end it harnesses the revolutionary new and inescapable phenomenon of the nuclear age for its own purposes. Our era has brought humanity not only the curse of the unprecedented destructive power of nuclear weapons but also its twin, the dread of unleashing that power, grounded in the fear of self-destruction. Wherever nuclear weapons are present, war loses its earlier function as a continuation of politics by other means. Even more, the destructive power of these weapons has forced political leaders, especially those of nuclear weapons states, to weigh risks to a degree unknown in history.

The longest period of peace in European history is inconceivable without the war-preventing effect of nuclear weapons. During the same time span more than a hundred wars have taken place in Asia, Africa, and Latin America, where the numbers of dead, wounded and refugees run into the millions.

The continuous increase in the number of nuclear weapons—now comprising many thousands of warheads with ever more refined delivery systems—instills in many people, for understandable reasons, anxieties about the consequences of a war with a destructive power that exceeds the human imagination. But the only new factor here is that more people realize these consequences than in the past. Many political and military leaders were already aware of them when these weapons were developed and the first test results were presented. The fear of the consequences of such a war has to this day fortunately led to a policy which has made an essential contribution to preventing war in Europe—but which at the same time has regrettably stimulated the buildup of arsenals, since neither side wanted to lapse into a position of inferiority.

The strategy of flexible response attempts to counter any attack by the adversary—no matter what the level—in such a way that the aggressor can have no hope of advantage or success by triggering a military conflict, be it conventional or nuclear. The tight and indissoluble coupling of conventional forces and nuclear weapons on the European continent with the strategic potential of the United States confronts the Soviet Union with the incalculable risk that any military conflict between the two Alliances could escalate to a nuclear war. The primary function of nuclear weapons is deterrence in order to prevent aggression and blackmail.

The coupling of conventional and nuclear weapons has rendered war between East and West unwageable and unwinnable up to now. It is the inescapable paradox of this stategy of war prevention that the will to conduct nuclear war must be demonstrated in

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order to prevent war at all. Yet the ensuing indispensable presence of nuclear weapons and the constantly recalled visions of their possible destructive effect, should they ever be used in a war, make many people anxious.

The case is similar with regard to the limitation of nuclear war: the strategy of massive retaliation was revised because, given the growing potential of destruction, the threat of responding even to low levels of aggression with a massive use of nuclear weapons became increasingly incredible. A threat once rendered incredible would no longer have been able to prevent war in Europe. Thus, in the mid-1960s the Europeans supported the introduction of flexible response, which made the restricted use of nuclear weapons—but also the limitation of any such use—an indispensable part of deterrence aimed at preventing even "small" wars in Europe. Critics of nuclear deterrence today misinterpret this shift in strategy, drawing from it a suspicion of conspiracy between the superpowers to wage a limited nuclear war on European territory and at the expense of the Europeans.

A renunciation of the first use of nuclear weapons would certainly rob the present strategy of war prevention—which is supported by the government and the opposition in the Federal Republic of Germany, as well as by a great majority of the population—of a decisive characteristic. One cannot help concluding that the Soviet Union would thereby be put in a position where it could, once again, calculate its risk and thus be able to wage war in Europe. It would no longer have to fear that nuclear weapons would inflict unacceptable damage to its own territory. We therefore fear that a credible renunciation of the first use of nuclear weapons would, once again, make war more probable.

A decisive weakness of the proposal by the four authors lies in their assertion that a no-first-use policy would render wars less likely, without producing sufficient evidence. Even though the restoration of the conventional balance which they call for (and which will be examined below) increases the conventional risk for the Soviet assault formations, such a policy would liberate the Soviet Union from the decisive nuclear risk—and thereby from the constraint that has kept the Soviet Union, up to now, from using military force, even for limited purposes, against Western Europe. The liberation from nuclear risk would, of course, benefit the United States to the same degree. It must be questioned, therefore, whether renunciation of first use represents a contribution to the "internal health of the Western alliance itself" (p. 66) or whether, instead, a no-first-use policy increases insecurity and fear of ever more probable war.

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The argumentation of the four American authors is considerably weakened by their tendency to think in worst-case scenarios. They assume almost fatalistically a total irrationality of state behavior and the impossibility of controlling a supposedly irreversible escalation. We share the authors' opinion that the kind of Soviet adventurism that would undertake a nuclear first strike against the United States can be excluded as a serious possibility. We are also familiar with the recent studies which assert that a limited nuclear war probably becomes more and more difficult to control with increasing escalation. Here we cannot disagree. However, one must at the same time ask under what circumstances a first use of Western nuclear weapons in Europe—should it happen at all—would be probable. This is only thinkable in a situation where a large-scale conventional attack by the Warsaw Pact could no longer be countered by conventional means alone, thus forcing NATO to a limited use of nuclear weapons: small weapons in small quantities, perhaps even only a warning shot. All indications suggest that both sides would be extremely cautious, in order to avoid precisely the dreaded, possibly uncontrollable escalation which some studies rightfully present as a danger, and which the advocates of a no-first-use policy present as a certainty.

III

The Western Alliance is an alliance of equals. Its cohesion is therefore based on the greatest possible realization of the principles of equal risks, equal burdens and equal security. The present NATO strategy reflects this principle. It guarantees that the American military potential with all its components, conventional and nuclear, is included in the defense of Europe. Not only the inhabitants of the Federal Republic of Germany but also American citizens help bear the risks, the conventional as well as the nuclear. The indivisibility of the security of the Alliance as a whole and of its territory creates the credibility of deterrence.

The conclusions that can be drawn from the four authors' recommendations with regard to the commitment of the United States to the defense of Europe are profoundly disturbing. To be sure, they assert that no-first-use does not represent an abandonment of the American protective guarantee for Western Europe, but "only its redefinition" (p. 759). Indeed, that would be the case, but in the form of a withdrawal from present commitments of the United States.

The opinion of the four American authors that "the one clearly definable firebreak against the worldwide disaster of general nuclear war is the one that stands between all other kinds of

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conflict and any use whatsoever of nuclear weapons" (p. 757), amounts to no less than limiting the existing nuclear guarantee of protection by the United States for their non-nuclear Alliance partners to the case of prior use of nuclear weapons by the Soviet Union. Even in the case of a large-scale conventional attack against the entire European NATO territory, the Soviet Union could be certain that its own land would remain a sanctuary as long as it did not itself resort to nuclear weapons. This would apply even more to surprise operations aimed at the quick occupation of parts of Western Europe which are hardly defensible by conventional means.

In such a case, those attacked would have to bear the destruction and devastation of war alone. It is only too understandable that for years the Soviet Union has, therefore, pressed for a joint American-Soviet renunciation of first use of nuclear weapons, on occasion in the guise of global proposals. If the ideas of the authors were to be followed, conventional conflicts in Europe would no longer involve any existential risk for the territory of the Soviet Union and—despite the increased American participation in the conventional defense of Europe suggested by the authors—would be without such risk for the territory of the United States as well.

The authors' suggestion that "even the most responsible choice of even the most limited nuclear actions to prevent even the most imminent conventional disaster should be left out of authorized policy" (p. 762) makes completely clear that a withdrawal of the United States from its previous guarantee is at stake. They thus advise Western Europe to capitulate should defeat threaten, for example if the Federal Republic were in danger of being overrun conventionally. The American nuclear guarantee would be withdrawn.

The authors assert that the implementation of their astonishing proposal would not be taken in Europe, and especially in the Federal Republic, "as evidence of a reduced American interest in the Alliance and in effective overall deterrence" (p. 761), but that, on the contrary, it would be the best means "for keeping the Alliance united and effective" (p. 761). On this point we beg to differ: the proposed no-first-use policy would destroy the confidence of Europeans and especially of Germans in the European-American Alliance as a community of risk, and would endanger the strategic unity of the Alliance and the security of Western Europe.

IV

Given a renunciation of nuclear first use, the risks of a potential aggressor doubtlessly become more calculable. Moreover, the

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significance of Soviet conventional superiority would thereby increase dramatically. Conventional war in Europe would once again become possible. It could again become a continuation of politics by other means. Moreover, NATO would face a fundamentally different conventional threat. The elimination of the nuclear risk would free the Warsaw Pact from the necessity to disperse attack forces. As a result NATO would have to produce significantly higher numbers of combat forces than today.

The assertion of the four American authors that there is a tendency to overestimate the conventional strength of the Soviet Union does not correspond to the most recent East-West force comparison undertaken by NATO. They do admit, however, that a no-first-use policy requires stronger conventional forces; in their opinion the Alliance is capable of accomplishing such a buildup within realistic budgets. We believe the authors considerably underestimate the political and financial difficulties which stand in the way of establishing a conventional balance through increased armament by the West. The case would be different if through negotiations a conventional balance could be reached by reductions in Warsaw Pact forces. The authors do not explore this possibility, but the long years of as yet unsuccessful negotiations for mutual and balanced force reductions (MBFR) demonstrate the obstacles on this path.

The establishment of balance through the buildup of Western conventional forces would likewise be extremely difficult. The costs would be of a magnitude that would dramatically exceed the framework of present defense budgets. Suggestions by the authors about possible savings in the nuclear area in case of no-first-use are of little benefit for the non-nuclear weapons states of Europe. (Such savings, incidentally, imply a significant reduction of the Western nuclear arsenal.) In our judgment, the United States and Great Britain would have to introduce the draft, and the European countries would have to extend their period of military service. Because of the necessity for a significantly higher number of military forces, the Federal Republic of Germany would have to accept on its territory large contingents of additional troops, those of the allies and its own: the Federal Republic would be transformed into a large military camp for an indefinite period. Do the four American authors seriously believe that the preconditions for the buildup required by their proposal exist in Western Europe—and the United States?

Even if an approximate conventional balance could be achieved in Europe, two disadvantages to the detriment of Western Europe would remain: first, the Soviet Union has a geographic advantage,

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it can always quickly change the balance of forces from the relative proximity of its territory; second, there would always be the possibility, not even excluded by the American authors, that, despite no-first-use, conventional war could in an advanced phase degenerate into nuclear war.

Moreover, in commenting skeptically about the idea of a nuclear-free zone, the authors themselves point out that the Soviet Union can move nuclear weapons relatively quickly from deep within its territory into such a zone. If a no-first-use policy is linked with a complete or at least substantial withdrawal of tactical nuclear weapons—and that is apparently meant by the authors—it would, moreover, be easier for the Soviet Union to reach Central Europe with nuclear weapons from its own territory than for the United States.

For Germans and other Europeans whose memory of the catastrophe of conventional war is still alive and on whose densely populated territory both pacts would confront each other with the destructive power of modern armies, the thought of an ever more probable conventional war is terrifying.

To Germans and other Europeans, an ever more probable conventional war is, therefore, no alternative to war prevention through the current strategy, including the option of a first use of nuclear weapons. While the four authors link their proposal with the laudable intention of reducing European anxieties about nuclear war, its implementation could result in anxieties about a more probable conventional war soon replacing anxieties about the much less probable nuclear war. The anti-nuclear protest movement in Europe suspects the United States and the Soviet Union of intending to wage a limited nuclear war on the territory, and at the expense, of the Europeans. Were the movement to apply the logic of its argument to the case of no-first-use, it would naturally arrive at a new suspicion: that a conventional war could now also be waged on European territory and at European expense—particularly since a nuclear risk for the superpowers would no longer exist. All that would then be necessary would be to paint a vivid picture of the terrors of conventional war—once again thinkable—and the insecurity of the Europeans would receive new and dangerous reinforcement.

V

We are grateful for the manner in which the four American authors of a no-first-use proposal have evaluated the particularly

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exposed position of the Federal Republic of Germany and the special difficulties which ensue for its security policy. It is, however, striking that they do not deal at all with a problem which does not, to be sure, pose itself for a world power like the United States but which the Federal Republic of Germany and all European Alliance partners have to keep in mind: the problem of protecting themselves from political pressure and preserving their free society.

The protection of a free society based on the rule of law is just as important a part of a policy of preserving peace as the prevention of war. War can always be avoided at the price of submission. It is naturally more obvious to Europeans, and in particular to Germans—in their precarious position within a divided country—than to the population of the American superpower that an actual military superiority of the Soviet Union, or a feeling of inferiority in Western Europe, can be exploited to put political pressure on Western Europe.

The feeling of vulnerability to political blackmail, as a result of the constant demonstration of superior military might, would be bound to grow considerably if the nuclear protector of the Atlantic Alliance were to declare—as suggested by the four authors—that it would not use nuclear weapons in case of a conventional attack against Europe. This applies in particular to those exposed areas which even with considerable improvements of conventional forces can only with great difficulty be conventionally defended, or not at all: these include, for example, North Norway, Thrace, and in particular, West Berlin. The protection of these areas lies solely in the incalculability of the American reaction.

The advice of the authors to renounce the use of nuclear weapons even in the face of pending conventional defeat of Western Europe is tantamount to suggesting that "rather Red than dead" would be the only remaining option for those Europeans then still alive. Were such advice to become policy, it would destroy the psychological basis necessary for the will to self-defense. Such counsel would strengthen tendencies in Europe to seek gradual voluntary and timely salvation in preventive "good conduct" and growing subservience vis-à-vis the Soviet Union for fear of war and Soviet superiority. The result would be to restrict the very freedom that the Alliance was founded to protect.

VI

The four American authors advance a number of skeptical arguments about the NATO two-track decision of December 1979 which amount to a rejection of this decision. They attack one

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alleged motive for the double-track decision, the desire for balance below the intercontinental level of nuclear weapons. Although the notion of balance did occasionally appear in public discussion by politicians who advanced it to legitimize the NATO decision in view of the growing Soviet medium-range nuclear potential, balance was not a leitmotiv and did not play an essential role in shaping the decision itself. Were that the case, the potential of the Western nuclear weapons envisaged (should negotiations fail) would have had to be significantly larger than the planned 572 systems, which—together with the already existing Western weapons—amount to only a fraction of comparable Soviet systems. From the very beginning, the double-track decision was essentially conceived to couple the intercontinental with the Europe-related nuclear weapons force.

We share the concern which the four authors express about the potentially negative impact which the controversies on the NATO double-track decision could have on the Alliance. However, unlike them, we do not conclude that NATO should forego the double-track decision. Our conclusion is based on three arguments in particular:

First, the Soviet Union must recognize that it would also be to its own advantage to abandon its absolute notion of security—for such a notion condemns any attempt at stabilizing the East-West relationship to failure. The Soviet decision to develop, produce and deploy the SS-20 missile in Eastern Europe was made during the first half of the 1970s, i.e., during the period in which the West actively pursued genuine détente. It must have been clear to every Soviet planner that, given the quality of this weapons system, located below the strategic level (which was moving toward parity and accordingly codified in SALT), its expansion would dislocate the nuclear deterrence system by regionalizing the threat.

Messages from Western and German sources directed with great urgency at the Soviet Union during the 1970s—among them a meeting between Federal Chancellor Helmut Schmidt and General Secretary Leonid Brezhnev in May 1978—were simply ignored. The buildup of this rocket arsenal continued relentlessly and still does. In addition, new modern systems of shorter and medium reach were developed; they are now in production and deployment. All of these add a new quantitative and qualitative dimension to Soviet armament.

These developments raise the depressing question of whether and how the dynamics of Soviet armament policy can be influenced at all. In any case, in the interests of security and peace,

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such attempts must not be abandoned. Only an announcement and demonstration of the capacity to implement a Western medium-range armament program (572 Pershing II and cruise missiles) which would result in a loss of military and political options for the Soviets could, if at all, induce the Soviet leadership to halt and reduce its armament.

Second, where would such a development end if, by renouncing the implementation of the double-track decision, the Alliance were to let the Soviet medium- and short-range nuclear potential grow to thousands of systems without an adequate counterweight on the Western side and with continued strategic parity?

Two consequences would emerge: in the first place, the American nuclear guarantee for Europe would lose its credibility. The view, also shared by the four authors, that the Soviet medium-range potential can be dealt with by American systems assigned to NATO (which are, by the way, counted in SALT and not well usable for tactical functions) lacks conclusiveness. As such a striking Soviet superiority increasingly develops, the United States loses the capability for escalation and thereby its credibility. This has a destabilizing effect.

In the second place, we are concerned by the possibility that with an acceptance of further growth of Soviet nuclear superiority below the intercontinental level, a potential for threat emerges which can be used for political pressures. In this case, the well-meant advice that only those can be blackmailed who let themselves be is of little use, since these weapons are assumed to be unusable because of the risk involved. In 1956 Khrushchev threatened Paris and London with nuclear weapons. At that time his threats had little impact under conditions of American strategic superiority. Imagine what a repetition of such threats would be like under conditions of striking Soviet superiority in the field of medium-range weapons and of the anxieties of the West European public caused by the nuclear debate. Under these circumstances politicians in the Western democracies would be put under a degree of pressure unimaginable in the 1950s.

Third, the long-term impact of a failure of the double-track decision is a cause of concern to us. The anti-nuclear protest, in our opinion, will not disappear but will in all probability remain a permanent characteristic of the political situation in Western Europe for years. This protest and the legitimate concerns which it expresses must be taken very seriously, but at the same time it should not be overlooked that it represents a minority—which, however, enjoys powerful support from the media on both sides of

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the Atlantic. Security policy, like any other policy in democracies, is determined by majorities and must be accepted by minorities. If, in the case of the double-track decision, the existing clear majority should fail to prevail in the face of a minority in fundamental opposition to it—and one likely to persist in the future—much more would be at stake than the decision in question. This has been recognized by parts of the protest movement—and in Moscow as well. The capability of democratic majorities to define and implement security policy in the future is also at stake in the double-track decision.

VII

Special emphasis on the renunciation of *one* form of force—the first use of nuclear weapons—decreases the importance of the general prohibition against the use of force laid down in Article 2 of the U.N. Charter, resulting for all practical purposes in a diminution of the prohibition against the use of conventional force. The Federal Republic of Germany has always adhered to the principle of the general renunciation of the use of force. It reconfirmed this commitment when entering NATO, as well as in the Eastern Treaties of the early 1970s and the Final Act of Helsinki in 1975. The Federal Republic shares with other Alliance partners the view that it is legally questionable and politically harmful to separate the question of specific arms from the general renunciation of the use of force.

Government and opposition within the Federal Republic are in complete agreement on this issue. Indeed the question must be posed whether, with a prohibition of the first use of nuclear weapons, the first use of other weapons becomes less prohibited and whether a country threatened by a conventionally highly armed neighbor will then be less protected by the prohibition of the use of force.

To an essential degree the anti-nuclear protest in Europe derives from the rejection of nuclear arms procurement up to barely imaginable potentials of destruction, from the waste of resources which it engenders in a world of poverty, and from the possibility of war under nuclear conditions. We consider these concerns legitimate, although we do not share essential conclusions of the movement. In view of the burdens of defense policy in the nuclear age which the citizens in our democracies have to bear, it is the constant duty of government and opposition to exploit all available possibilities to decrease tensions and potentials for destruction

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by means of cooperation, confidence-building measures, arms control and disarmament.

Unlike the four American authors, we do not consider a renunciation of the option of a first use as the answer to the existing concerns and anxieties over nuclear weapons. Instead, we see the answer in a creative and realistic policy of arms control and disarmament. We consider the NATO double-track decision of December 1979, combining arms control negotiations and the announcement of armaments in case of failure, as an innovative step. We welcome the beginning of negotiations on medium-range weapons in Geneva and the "zero option" proposed by President Reagan. The reduction of excessive Soviet armament is the main goal of this proposal; in a way comprehensible to everybody, it now places on the Soviet Union the responsibility for potential armament measures of the West. We welcome, furthermore, the readiness announced by both world powers to open negotiations on strategic weapons, as well as the proposals on START presented by President Reagan at Eureka on May 9. The NATO ministerial meeting of May 1981 and the declaration of the NATO summit in Bonn of June 1982 unequivocally express the continuity of the basic philosophy of the Alliance, which seeks security only through a combination of adequate defense capacity and a policy of cooperation and negotiations to eliminate the causes of tensions.

The four American authors hope that a policy of no-first-use could help to clear the way towards a serious reduction of nuclear weapons on both sides. Their further comments on this topic, however, suggest that they themselves do not entertain exaggerated hopes. Indeed, the experience of recent years in the field of tactical nuclear weapons gives little cause for hope that the Soviet side is ready for genuine reductions. Moreover, it is questionable whether the Soviets are ready to renounce their conventional superiority built up at great sacrifice, stubbornly defended during decades and energetically expanded in recent years, at the very moment when such a superiority would be given an increased and decisive importance by a NATO renunciation of first use of nuclear weapons.

We share many of the concerns about the risks of nuclear war. They lead us to conclude that an energetic attempt to reduce the *dependence on an early first use* of nuclear weapons must be undertaken. To be sure, the authors also mention a "no-early-first-use" policy (p. 762) as a possible alternative, but in the last analysis they discard it as a mere variation of nuclear options and therefore call for a clear decision in favor of a renunciation of "any first use

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of nuclear weapons" (p. 761).

A reduction of dependence on an early use of nuclear weapons should, in the first place, be attempted through mutual, balanced and verifiable reductions of conventional forces by means of East-West negotiations which result in an adequate conventional balance. We have pointed out how difficult it would be to restore such a balance by the buildup of Western conventional armament. In our opinion the essential precondition posed by the authors for their suggested renunciation of first use can, therefore, not be fulfilled.

In sum, we consider efforts to raise the nuclear threshold by a strengthening of conventional options to be urgently necessary. The reduction of the dependence on first use, in particular on early first use of nuclear weapons, should be a question of high political priority in our countries.

The Western Alliance has committed itself to a renunciation from the very beginning: the renunciation of the first use of *any* force. The entire military planning, structure and deployment of forces are geared exclusively toward defense. The presence of nuclear weapons has contributed essentially to the success of the Alliance in preventing war and preserving freedom for three decades. We are convinced that a reduction of the dependence on an early use of nuclear weapons would serve this purpose. Under the circumstances of the foreseeable future, however, a renunciation of the option of first use would be contrary to the security interests of Europe and the entire Alliance.

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THE DEBATE OVER NO FIRST USE

To the Editor:

In their article on no-first-use of nuclear weapons, in the Spring 1982 issue of *Foreign Affairs*, McGeorge Bundy and his colleagues base their recommendation that the United States adopt a "no-first-use" policy on the following premise: "The one clearly definable firebreak against the worldwide disaster of general nuclear war is the one that stands between all other kinds of conflict and any use whatsoever of nuclear weapons." This premise is incorrect. Although the firebreak between the use of conventional weapons and the use of nuclear weapons is, of course, a major one, it is not so important as the firebreak between no use of weapons between forces of the superpowers and any significant conflict, even confined to conventional weapons, between those forces. In short, the best guarantee against nuclear war is to strengthen the barrier not between conventional and nuclear war, but between peace and war. The question, therefore, is whether these goals can be pursued simultaneously, or whether they are to some degree mutually exclusive.

Unfortunately, the latter seems to be the case, as the authors apparently realize. "Any use of nuclear weapons in Europe," they write, "carries with it a high and inescapable risk of escalation into the general nuclear war which would bring ruin to all and victory to none." Precisely. Why, then, should we remove this risk from Soviet calculations? Why should we assure the Soviets that in the event of aggression, they will not confront the one weapon that would turn their dreams of victory into a nightmare of ruin? In other words, it is quite reasonable to base an effective deterrent not on the certainty that NATO would respond to a conventional attack with nuclear weapons, but on the uncertainty that it would not. The danger is that, believing the U.S. declaration, the Soviets might be emboldened to take a more provocative stance than would otherwise be the case, and war would result. Those who say this is unlikely should be reminded that something similar has already happened. On March 1, 1949, General Douglas MacArthur stated that "our line of defense runs through the chain islands fringing the coast of Asia." On January 12, 1950, Secretary of State Acheson reaffirmed this position, adding that "so far as the military security of other areas in the Pacific is concerned, it must be clear that no person can guarantee these areas against military attack." Thus assured that an American military response was unlikely, North Korea, with Soviet support, invaded South Korea on June 25, 1950.

Indeed, the authors seem to recognize the weakness of their argument on military grounds when they acknowledge that the "value" of their proposal "is first of all for the internal health of the Western Alliance itself." To be sure, we must be sensitive to the growing anti-nuclear movement in NATO, but one wonders whether a no-first-use policy would be better for the Alliance's health in the long run. Let us take as an example an issue that endangered the peace of the world twenty years ago—Berlin. If the proposal by Mr. Bundy *et al.* is adopted, what response would NATO have if the Soviets once again decided to threaten Berlin? The value of a conventional response now is that the Soviets could not know where it might lead, and consequently the game

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is not worth the candle to them: Khrushchev retreated from his ultimata, and Brezhnev has not revived them. Might not a new Soviet leadership, perhaps beset by foreign and domestic reversals, be tempted by visions of splitting West Germany from the Alliance to instigate a new Berlin crisis, confident that the situation could not get out of hand even if it went so far as to seize Berlin? It is all well and good to argue that NATO has the potential for adequate conventional defense, but how could it extend protection by conventional means only in this circumstance? And if it cannot, what would be the effect on West Germany—and therefore on the health of the Alliance?

Moreover, it is not clear that conventional defense of West Germany against a determined Warsaw Pact attack is feasible. As General Maxwell Taylor pointed out in an article in *The Washington Post* on April 18, ever since France withdrew from NATO's military structure, "NATO has had no communications zone of adequate depth behind its combat troops, and the U.S. forces have had to depend on supply lines . . . running dangerously close to the battlefront. . . . In the aggregate, these adverse logistics factors justify a conviction . . . that a sustained conventional defense is not possible." This geographic problem is compounded by a political difficulty. If NATO is to have an effective conventional defense, the likely points of attack along the West German border almost certainly would have to be fortified. The construction of a West German "Mannerheim line" along its border with East Germany would be fraught with political complications, however, for it would imply an acceptance of the permanence of the division of Germany. In short, the question of conventional defense is not one that can be examined solely by looking at the military and economic resources of both sides.

STANLEY KOBER
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The following comment was excerpted from a speech by General David C. Jones, Chairman, Joint Chiefs of Staff, to the American Newspaper Publishers Association on April 28, 1982, in San Francisco. As a particularly important response, we felt it warranted inclusion in this special section.

The challenges that face the Free World in the 1980s are severely compounded by the specter of an unremitting Soviet military buildup and most particularly their drive toward nuclear superiority. The frustrations of living with—let alone dealing with—the risks of nuclear confrontation are being manifested in a renewed ground swell of anti-nuclear sentiment which gained strength first in Europe and now in the United States. This movement cannot be dismissed as the emanations of a fringe element—it is drawing increasing numbers of very serious-minded concerned citizens.

If we are to find the way to address these very serious concerns we need to reflect on how we got to where we are. In the world wars we were afforded the time to mobilize our great industrial base by the buffers of geography and allies who could fight until we arrived. We could recover from mistakes which left us less than adequately prepared; we had time to build and deploy our forces, and with our superior resources, out-equip and out-man the enemy. We finally won those wars largely through overwhelming mass and attrition

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rather than farsighted preparedness.

After World War II we took a different approach based on our nuclear superiority and our desire to return to a peacetime economy. We placed primary reliance on the "nuclear umbrella" and literally decimated our conventional capabilities in the rush to demobilize after nearly four years of exhausting war. As a result, we were once again caught unprepared and almost pushed off the Korean peninsula by a third-rate power. But while we discovered that nuclear weapons were not effective for deterring all levels of conflict, massive retaliation remained the keystone of our strategy.

It was not until the 1960s that we responded to this lesson by developing the strategy of flexible response which was officially adopted by NATO in 1967. Rather than a tripwire to trigger a nuclear response, conventional forces were considered the first line of defense in a measured response to a Warsaw Pact attack. Strengthened conventional forces, theater nuclear weapons and U.S. long-range strategic weapons—the NATO Triad—provided a more flexible deterrent through the capability to escalate as necessary to meet any level of threat. The threat of escalation remains NATO's strongest deterrent today.

It has proven amazingly successful in preventing direct armed conflict between East and West. Yet over the years there has been skepticism of the deterrent role of NATO strategy and proposals have often been made that would weaken the NATO Triad.

The two most prominent proposals currently being expounded—a declaratory policy of "no-first-use" of nuclear weapons and a total "freeze" on nuclear weapons—have a very seductive appeal to those who are frustrated with the lack of progress in controlling nuclear arms. They have captured the imagination of many serious people. But I think the premises on which these proposals rest are wrong. I will try to explain why I believe so as clearly as possible.

The no-first-use proposal fails to account for the conventional force imbalance. Although there is an understandable debate as to how great a margin of superiority the Warsaw Pact has in conventional forces—and I for one believe that the margin is often overstated—I know of no serious analyst in the West who does not conclude that one exists. If in a political crisis the Soviets believed that they could launch a successful conventional attack against NATO without fear of a possible nuclear response, their incentive to do so—and thus the probability of armed conflict—would be greatly increased. And we have to bear in mind that developments in the Soviet empire could compel their future leadership, which might be even more aggressive, to externalize their internal economic and political crises.

Furthermore, it is unreasonable to expect that promises made with cool reason in peacetime will be kept in the heat of battle when a nation is threatened with military conquest. Either a defensive nuclear response to conventional attack, or a preemptive nuclear strike by the aggressor, would still remain possibilities regardless of declaratory policies. Paradoxically then, a declaratory policy of no-first-use may well lead to the very outcome its proponents seek to avoid—an increased likelihood of conflict and escalation to nuclear warfare.

Since we must expect that a nation will use whatever means it has available to counter a threat to its very survival, the key to preventing the use of nuclear weapons is to deter armed conflict between the East and West at *any* level.

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The critical threshold is the beginning of combat. Rather than a declaratory policy of no-first-use of nuclear weapons, therefore, NATO has a more comprehensive policy of no-first-use of military force. As President Reagan stated last November, "No NATO weapons, conventional or nuclear, will ever be used in Europe except in response to an attack." I am confident that we can and will adhere to this much more effective nonaggression policy. It is a far more credible and workable policy than a promise not to use nuclear weapons after an attack has begun.

The more we talk about refusing to use nuclear weapons, the greater the danger that we may create incentives for conventional aggression and even preemptive nuclear attack. We can assure peace only by maintaining our strength and presenting the Soviets with an uncertain and ambiguous situation. This is not a very comfortable posture for us to maintain, but it is a fact of life that is essential for maintaining deterrence.

To the Editor:

Anyone who cares about peace, I suppose, must welcome the Bundy-McNamara-Kennan-Smith initiative to abjure the American first use of nuclear weapons, particularly in Europe. The proposal is a notable tribute to the weight of the European and American anti-nuclear movement, and to the sense that the Reagan Administration, by waffling so long on arms control and letting a hundred exotic flowers bloom in nuclear remarks by high officials, had left itself vulnerable to such a dramatic thrust. But also, let us not forget, the article is testimony to the dangers and disabilities of the defense and alliance policies that Messrs. Bundy, McNamara, Kennan and Smith themselves have espoused in the past, now that these policies are projected into an age of nuclear parity and nuclear plenty.

For a proposal of no-first-use inevitably raises deeper questions about deterrence and alliance, the two pillars of the strategic "paradigm" that has governed America's foreign and military policies for three decades, since the cold war. Deterrence and alliance come together in the notion of "extended deterrence"—that is, the threat of America's strategic nuclear weapons to deter challenges to interests less than vital and nations other than ourselves—in this case, the unfurling of America's nuclear umbrella over Western Europe. The authors of this particular no-first-use proposal have not nearly settled these deeper issues.

How can we continue to defend Europe in a way that is consistent with other, overriding, values such as avoiding our own physical destruction in a nuclear war? If you are committed, as are the authors of this article, both to defend Europe and to avoid the extension of conflict to our own homeland, you must try to reconcile these incompatible objectives. What condition is necessary to reconcile them?

Crucial to the Bundy-McNamara-Kennan-Smith proposal is that the apparent renunciation of the first use of nuclear weapons is conditional on the acquisition of an adequate conventional defense. "It is obvious," say the authors, "that any such policy would require a strengthened confidence in the adequacy of the conventional forces of the Alliance." The conventional defense of Europe has become a fashionable proposition. But it is more an incantation than a policy. First of all, those who opt, reflexively, for conventional defense cannot mean just any conventional effort. They must mean the *high confidence* defense of Europe with conventional arms. And they have the further burden

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of not just prescribing that the United States and its allies "must" do more to guarantee the integrity of Western Europe, but *predicting* that this is going to happen.

Conventional defense is not just a matter of "political will," as the authors of this article would have it. To determine the feasibility of conventional defense, we must have a bill of costs. Nowhere do Mr. Bundy *et al.* present that bill. They offer only the cryptic judgment: "It seems clear that the nations of the Alliance together can provide whatever forces are needed, and within realistic budgetary constraints."

You don't have to accept Secretary of State Haig's hyperbole to believe that conventional defense is expensive. (He said that it would require "tripling the armed forces, and putting the economy on a wartime footing.") You have only to look at what we are already spending. Our present share of the conventional defense of Europe is $129 billion (in terms of the 1983 budget authorization, including applicable overhead). That is half of the $258 billion requested for defense by the Reagan Administration. Over the next decade Europe will cost us two-and-a-quarter trillion dollars. Will even those resources be forthcoming, let alone the greater ones required for self-sufficient conventional defense?

If the critical condition of conventional defense cannot be attained, should we prefer conventional defeat or a relapse into the first use of nuclear weapons? At first, Mr. Bundy *et al.* seem, consistently, to prefer defeat: "It seems much better that even the most responsible choice of even the most limited nuclear actions to prevent even the most imminent conventional disaster should be left out of authorized policy." But wait: "authorized policy"? That is a clue. Later they hedge more elaborately against the failure of pure conventional defense: "There remains one underlying reality which could not be removed by even the most explicit declaratory policy of no-first-use. . . . No one on either side could guarantee beyond all possible doubt that if conventional warfare broke out on a large scale there would in fact be no use of nuclear weapons. We would not make that assumption about the Soviet Union, and we must recognize that Soviet leaders could not make it about us. As long as the weapons themselves exist, the possibility of their use will remain."

That remark is not a throwaway. Because these strategies cannot guarantee the conventional defense of Europe, but the authors still subscribe to America's competent defense of Europe, they eventually smuggle in the threat of our desperate, perhaps unauthorized, first use of nuclear weapons. They would have the deterrent effect without the opprobrium and the moral agony.

Primarily, however, Messrs. Bundy, McNamara, Kennan and Smith respond to their fear of the uncontrolled spread of nuclear war if we were to initiate it in Europe. They would reinforce the "firebreak" between conventional and nuclear war. Unfortunately, the fear of inevitable escalation creates the coupling of America's strategic nuclear arsenal to the local defense of its allies. And coupling remains the essence of America's defensive guarantee. For extended deterrence to work, the escalatory chain, from conventional war to theater nuclear weapons to the use of America's ultimate strategic weapon, must seem to be unbroken. Yet these authors would break that chain, at the point of the first use of tactical nuclear weapons in Europe. But firebreaks and coupling are contradictory; you can't have both. You can't wish away the connection between our first use of nuclear weapons and our defensive guarantee of Europe without blowing away the defensive guarantee itself.

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The Europeans intuit this point quite well. Mr. Bundy *et al.* may *say* that the change they propose "would not and should not imply an abandonment of [our] extraordinary guarantee—only its redefinition"; but that statement will not be accepted as an objective assurance. So in effect this proposal of no-first-use fails to grapple with the prospect of the disintegration of the Alliance. Its authors must reckon with this outcome, not because they intend it, but because they invite it in the way they frame their proposal, and perhaps in the very fact that they have made it.

There *is* an alternative American orientation to Europe that would not expose the United States to nuclear destruction. But, to propose it, one must accept its consequence: disengagement from our defensive guarantee of Europe. In an alternative policy, there *is* an essential place for a doctrine of no-first-use of nuclear weapons, which would enhance what is called "crisis stability" (discouraging escalation to nuclear war) which is the real key to our safety in the nuclear age.

Of course, "deterrent stability" (discouraging aggression on any level) would suffer. But it suffers also in the Bundy *et al.* proposal. The difference is that they gloss over the contradiction between crisis stability and deterrent stability. There is an essential tension, not an easy complementarity, between achieving safety for ourselves through crisis stability and achieving safety for the objects of our protection in the world through deterrent stability. The way—and the only way—we can lessen the incidence of this tension is by diminishing our obligations to extend our defensive protection to others.

EARL C. RAVENAL
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To the Editor:

In their article on no-first-use of nuclear weapons Mr. Bundy *et al.* emphasize that U.S. nuclear weapons have not been deployed solely to deter nuclear attack. I am sure that the policy proposed by Mr. Bundy *et al.* would, if adopted, reduce the likelihood of nuclear Armageddon. I would, however, appreciate further comment in two areas.

First, on *West Berlin*. That area is separated from the rest of NATO and is therefore particularly difficult to defend. The policy alternatives for defense of West Berlin include:

1. Threat of NATO nuclear first strike. In two crises, 1948 and 1961, the Soviet bloc threatened West Berlin in non-nuclear ways, and the United States responded by threatening a nuclear first strike.

2. Non-nuclear military defense. This might be feasible for the rest of NATO, but West Berlin does not appear to me to be defensible in this way.

3. A Hong Kong solution. Hong Kong is not militarily defensible by the United States, Britain, Taiwan or Japan. However, Peking has evidently decided that Hong Kong's present status is preferable to seizure. I do not know if a similar arrangement is feasible for West Berlin, but the problems of such a solution could hardly be more severe than the problems of military defense.

Then on *second strike* capabilities. In 1949 the U.S.S.R. detonated its first nuclear bomb. Since then, one of the purposes of U.S. nuclear weaponry has

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been to provide an assured second strike capability. In Europe, Mr. Bundy *et al.* propose to use nuclear weapons solely to threaten a nuclear response to a nuclear attack. Presently, a growing minority feels that even second-strike nuclear threats are not morally justified. I myself am forced to this position on religious grounds, following Matthew 5:39—."But I say unto you, That ye resist not evil: but whosoever shall smite thee on the right cheek, turn to him the other also"; and Matthew 26:52—."Then said Jesus unto him, Put up again thy sword into its place: for all they that take the sword shall perish with the sword."

NATO governments may expect a decrease in public opposition to NATO nuclear arms if they change to a strict nuclear deterrence policy; also, Western publics would place more emphasis on Soviet nuclear weapons than at present. Furthermore, the Soviet government would have more difficulty in keeping its public's indignation focused on NATO weapons and away from SS-18s and SS-20s. Nevertheless, NATO governments cannot completely free themselves from protestors like myself by maintaining nuclear armaments for any reason at all.

CARL N. ANDERSON
Berkeley, California

To the Editors:

It is quite extraordinary that after arguing against NATO's current first-use doctrine, the authors of "Nuclear Weapons and the Atlantic Alliance" proceed to re-introduce most, if not all, the elements of a first-use policy into their proposal. They do so when they affirm that "it would still be necessary to be ready to reply with American nuclear weapons to any nuclear attack on the Federal Republic" of Germany, even under a no-first-use doctrine.

Conceptually, a U.S. pledge to retaliate for a Soviet nuclear attack on Germany constitutes a form of extended deterrence that carries with it a first-use threat. As in current NATO first-use doctrine, the United States would be promising to initiate nuclear war against the Soviet Union, before Soviet nuclear weapons had been used on American territory. Once the United States made such a pledge, it would promptly be drawn back into the whole morass of controversies that now convulse the Alliance: Does such extended deterrence require a not-incredible first-strike capability? If the Soviet nuclear strike is part of an invasion, should retaliation be directed at Soviet territory or at Soviet forces in Europe? If the Soviet strike is limited, should the United States try to keep the conflict limited? Would not "escalation dominance" therefore be desirable, and would that not imply a broadened spectrum of strategic and nuclear forces (including long-range theater nuclear forces and even neutron warheads)?

The authors assert the contrary. They claim that "once we escape from the need to plan for a first use that is credible, we can escape also from . . . assertions that all sorts of new nuclear capabilities are necessary to create or restore a capability for something called 'escalation dominance'—a capability to fight and 'win' a nuclear war at any level." The point is crucial, for by assuming that a no-first-use doctrine would permit nuclear forces "much less massive than is now widely supposed," the authors hope to use the savings to finance the conventional forces vital to their proposal. Upon this assumption they also pin their arms control hopes.

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But the authors are wrong in their premise. Regardless of whether the United States threatens to commence nuclear retaliation after a Soviet conventional attack or only after a Soviet nuclear attack on Germany, the credibility problem is the same: How do we make such a threat plausible and effective, when carrying it out would risk American national destruction? Those who call for "escalation dominance" and "war-winning" seek to establish credibility by making retaliation something other than national suicide. The authors obviously doubt whether *any* nuclear force modernization or buildup could ensure credibility by making nuclear war "controllable" or "winnable." Nevertheless, their own no-first-use proposal does not make the credibility problem go away which provokes calls for "war-winning." Nor is their proposal in itself a logically necessary or sufficient ground for substantially altering the size or composition of the alliance's nuclear forces, current or proposed. As long as the United States promises any nuclear umbrella over Germany, the rigors of making extended deterrence credible, and the demands for requisite nuclear forces, will remain the same.

By failing to see that their no-first-use proposal still requires the deterrence capabilities of a first-use pledge, the authors have oversold the benefits of their proposal.

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The authors reply:

Responses to our essay, in these and other comments, have demonstrated wide interest in the issue. Instead of attempting a detailed response to these thoughtful letters, we would like to address a number of the basic questions raised both in the letters and elsewhere.

First, it should be emphasized, because some critics have misunderstood our argument, that while we ourselves believe in a policy of no-first-use, our specific recommendation was for official and private studies of ways and means of moving to such a policy. Obviously the most important question for study is how to ensure a conventional force posture that will persuasively deter a Soviet conventional attack. A number of officials assert that such a posture is unattainable, but many qualified authorities disagree, including a number of senior retired military leaders, now free to speak their minds. Recently Senator Sam Nunn of Georgia, a well-informed member of the Senate Armed Services Committee, made a strong public argument for modernizing conventional forces so as to create what he calls "a viable conventional defense." Senator Nunn believes that strengthened conventional forces should precede and not follow any adoption of a no-first-use policy; we think progress toward both can be made together, in a mutually reinforcing way. It is not a decisive difference.

In this very issue we now have the distinguished authority of General Bernard W. Rogers for the view that a four-percent annual rate of increased spending, maintained over a six-year period, can give NATO "a conventional posture which in and of itself constitutes a credible deterrent to Warsaw Pact conventional aggression." General Rogers would still want the first-use option in this situation, and we would not. But we find this difference less interesting

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than the agreement that effective conventional deterrence is attainable at acceptable cost.

On this question of the attainability of effective conventional strength we obviously differ with more than one of these correspondents, but the differences are not complete; indeed at one point Mr. Ravenal appears to argue that the Germans alone could mount an adequate conventional deterrent. We agree with General Jones that the relative strength of the Warsaw Pact is often overstated. Moreover we think the intrinsic attractiveness to Moscow of large-scale conventional aggression is low. Soviet leaders are well aware of the enormous political risks in large-scale aggression through the lands of unhappy vassals into territory where Soviet armies would find no friends. We need conventional strength to reinforce Soviet caution and to give the requisite reassurance to our European allies, not to outmatch an implacably war-bent aggressor.

Our second comment bears on what is probably the most frequent and deeply held objection to a no-first-use policy. Many critics admit that it will never be in our interest actually to initiate a nuclear war, but a number of them argue that we should nonetheless try to "keep the Russians guessing"; why give them "a free ride?" Why not, as Mr. Kober argues, base our deterrent on the maintenance of uncertainty about a possible first use? Our response, as in April, is that this threat is steadily declining in credibility, while its political costs within the Alliance are growing. A continued reliance on threats that it would be disastrous to execute strikes us as morally insupportable and empty of logic. We think that adequately deterrent conventional strength is more credible, more unifying, more civilized—and attainable. It is true, as we acknowledged in April, that as long as the weapons exist the danger that they will be fired also exists, but we think it essential to minimize that risk just as far as our own actions and decisions can do so.

We should deal briefly with a few special points. Mr. Ravenal chides us for believing that the United States should continue to be ready to give a nuclear reply to a Soviet nuclear attack on the Alliance, but we cannot share his long-held view that the United States should leave Western Europe to fend for itself, and we know of no substitute for nuclear deterrence of *nuclear* attack. Nor can we accept Mr. Hafner's convoluted argument that a readiness to reply to nuclear attack constitutes "first use" under another name. As for Mr. Anderson's good question about West Berlin, in our view that city is defended today not by any expectation that a coup-de-main there would unleash nuclear war, but rather by full Soviet awareness of the greatly destabilizing consequences that would follow a breach of the Quadripartite Agreement of 1971, which is correctly regarded by both sides as a major landmark in East-West relations. Whatever may have been the role there of nuclear deterrence in earlier years—and the question is far from simple—we think it is clear that the freedom of West Berlin has rested, for more than a decade, on a much wider and primarily political base.

We have encountered one reaction, especially from friends in Europe, which is as understandable as it seems to us to be mistaken: that since all forms of war in Europe would be equally catastrophic, one might as well place reliance on the nuclear deterrent and hope for the best. All four of us lived through World War II, and we understand how Europeans (including Russians) must feel at the prospect of another conventional European war, but we have to insist that thermonuclear hostilities would be so entirely different, so much

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more terrible than all past wars put together, that the two kinds of catastrophe are not remotely comparable. It is precisely the overwhelming difference between thermonuclear warfare and any past disasters that makes the threat to resort to it at once so dangerous, so hard to believe, and therefore so unreliable as a deterrent. We earnestly plead with all who are in the habit of saying that one kind of war is as bad as another to reexamine the facts about the effects of nuclear explosions.

A surprisingly large part of our argument seems to have found acceptance. There seems to be general agreement, especially among Americans, that it is right to press for conventional strength, urgent to raise the nuclear threshold (even if not as far as no-first-use), and necessary to take account of the reality that truly enormous nuclear forces are now available on both sides. Those forces, moreover, would remain enormous even if all Mr. Reagan's recent proposals for reductions were accepted immediately by Moscow. To us the conclusion is compelling; *no one* should ever be the first to set a nuclear match to those stockpiles, and no undertaking to do so is a proper part of the defense policy of a sane government.

We are reinforced in this conclusion by the interesting fact that in all the comment and criticism our essay has received, there has not been one concrete suggestion as to just how a first use of nuclear weapons would be carried out—in what numbers and with what targets. We think there is a reason for this reticence. All the specific proposals we have encountered over the years, and they have been many, look unacceptably dangerous in the context of the forces now deployed on both sides. They all share the weakness we described in April: "a high and inescapable risk of escalation into the general nuclear war that would bring ruin to all and victory to none."

We conclude that only by refusing to face the risks it carries, and indeed only by leaving the total responsibility for any such terrible choice in the hands of others, can one be comfortable with a reliance on first-use. In a real and serious sense many of those who cling to this option must hope with one half of their minds that no President would ever fire first, and with the other half that Moscow would not be so sure. This may be a good way to push the problem to one side, especially in a period in which there is no large-scale crisis—and we have had none for 20 years. But can we rely on such precarious double-think to work every time, in every crisis, for generations? We think not, and so we continue to urge a change.

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COMMENT AND CORRESPONDENCE

MAKING ECONOMIC SANCTIONS WORK BETTER

To the Editor:

The article by Robert Carswell, "Economic Sanctions and the Iran Experience," in your Winter 1981/82 issue, was an excellent analysis of the difficulties faced by the United States when it attempts to use trade controls and embargoes to achieve foreign-policy objectives.

I worked in the Treasury's Watch Office (Office of Briefings and Reports) during the final weeks of the hostage negotiations. The Watch Office received the incoming cables and messages concerning the negotiations and was responsible for distributing them around the clock to Deputy Secretary Carswell and the other senior Treasury officials involved in the negotiations, as well as alerting them to new developments in the situation. For the past year as the Assistant Director for the Task Force on Foreign Policy of the House Republican Research Committee, I have been concerned about the use of trade controls in U.S. foreign policy. (The views presented in this letter are my own and not those of the Task Force on Foreign Policy of the House Republican Research Committee or any of its members.)

Mr. Carswell's article articulates the difficulties faced when trying to impose effective economic sanctions. I cannot disagree with any of his arguments. However, it seems to me that he does not address an important question from the Iranian case, namely: given that the United States will undoubtedly continue to embargo trade and impose sanctions during the course of its foreign policy, what can we learn from the Iranian experience to ensure that future embargoes will achieve their desired goals?

I say "given" because it is not likely the U.S. government will stop imposing unilateral sanctions, and because there are good reasons for continuing to employ them. Since the successful employment of sanctions against Iran the United States has invoked sanctions against three countries—the Soviet Union, Poland, and Libya. As usual, these sanctions were imposed unilaterally, justified "by some variation of sonorous themes." While I may question the use of sanctions in these three cases, economic sanctions are an important part of U.S. foreign policy. It is difficult to conduct diplomacy without an ability at least to threaten sanctions against other countries. Since the United States cannot usually resort to military force, this country must have an effective method of threatening and implementing economic sanctions.

Mr. Carswell mentions some valuable lessons from the Iran experience: encouraging multilateral support, and limiting sanctions to relatively short-term and specific goals. Our sanctions against Libya seem to fail on both counts, and I personally do not believe they should have been imposed. In the case of multilateral controls, however, there are likely to be times when the United States will need to impose economic sanctions without the benefit of multilateral support. In this regard, there are some important lessons from the Iranian negotiations:

(1) Provide positive incentives for ending the sanctions. The Iranians knew that, once the assets were unfrozen, they would have available $12 billion (less

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the amount used to pay U.S. creditors). Positive incentives could also be useful when planning sanctions against the Soviet Union. The Soviet leadership might be more willing to consider more moderate behavior if, in addition to threatening sanctions, the United States made clear it would provide better access to additional credits, pipelaying equipment, etc.

(2) Make better use of debts and the threat of default. It is true that no other countries deposit as much of their funds in U.S. banks as did Iran. But many countries, including those in the Eastern bloc, are heavily in debt to the United States and its banks. Default on these debts might hurt the banks, but it would surely hurt the countries much more, as they would have difficulty getting even short-term loans to pay for imports. The United States might even secure cooperation from its allies. Since most developed countries have loaned substantial sums to the developing world, they would want to cooperate with the United States in debt rescheduling efforts to avoid loss of their own loans.

(3) Plan ahead. The United States could have more influence, particularly in the economic sphere, if it were willing to provide more foreign economic assistance to troubled countries, and if more were done to promote U.S. exports. One reason Iran had so much money in U.S. banks was because of the special relationship—military and political—that the United States had with the Shah of Iran. The Reagan Administration promotes arms sales so heavily in part because it wants to gain influence with other countries. I believe economic assistance could be more effective in this area than military sales. While these efforts would not have much immediate effect, they could help lay the groundwork for future influence over foreign events.

RICHARD DINE
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Mr. Carswell replies:

I agree in principle with Mr. Dine's constructive recommendations about sanctions. The central problem is that all too frequently sanctions are imposed by political officers for political reasons in an often misguided view that they will achieve political objectives. Sometimes, there is little coordination with the technical people who have to administer the sanctions and only a passing attempt to gear the sanctions to economic or financial realities or to plan for their ultimate modification and dissolution. The U.K. and Argentina blocked each other's assets over a weekend early in April. It would be interesting to know the role those responsible for economic policy played in those decisions.

Even in situations where there is time to consider a more sophisticated approach—as with Poland—we also have demonstrated little ability to coordinate or plan ahead. But that is true not only in sanctions policy but in other areas of the government.

In my view it is very doubtful that a commercial or government lender has much leverage over a government borrower when the borrower is financially strapped and close to or already in default. There is an old saying in the banking business to the effect that the bank controls the small borrowers, but the large borrowers control the bank. What, after all, can a bank lender do about a government in default? Refuse to lend it more money. Fine, but holding out the prospect of lending a little might produce greater leverage.

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Alternatively, the bank could chase the defaulting country's few remaining assets around the world and interdict its imports or exports. That would be regarded as close to a hostile act and would trigger a very unpleasant atmosphere and escalation of retaliation, with unforeseeable consequences. That scenario might also force private bank lenders to take large and premature bad debt writeoffs that might well prejudice their own soundness. My guess is that this sort of approach will not yield attractive results.

OIL WEALTH AND THE "BIG PUSH"

To the Editor:

In his article "Oil Wealth: A Very Mixed Blessing," in your Spring 1982 issue, Jahangir Amuzegar twice attributes to me intellectual responsibility for the recent economic misadventures of the oil-rich countries. In my 1958 book, *The Strategy of Economic Development*, I advocated, so he says, a "big-push" strategy of industrialization. In a footnote, he even refers to a specific page (p. 36) of that book as the place where I preached this nefarious doctrine. Actually, no advocacy of any "big push" can be found on that or any other page of the book. To a considerable extent, it was written as a tract *against* the "big-push," "take-off" and "balanced-growth" theories that were then fashionable and which I criticized at length (see in particular Chapter 3). I attempted to demonstrate that *sequential* solutions to the task of industrialization were available, in lieu of the large-scale, simultaneous investment effort advocated by some and denounced by me as "convulsive" (p. 210). It was precisely for the purpose of finding a sequential route that I introduced the concept of "backward and forward linkages" which Mr. Amuzegar uses to good advantage in his own analysis, this time, logically enough, *without* referring to my work.

There was of course much common ground among the participants in those early debates. We all agreed—I still think rightly so—on the need for a substantial expansion of the industrial sector in most underdeveloped countries (as they were then called) and also on the important role public policy ought to play in this endeavor. But in the discussion on how to proceed and how to shape these policies, my position was exactly the opposite of the one imputed to me in the article.

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Mr. Amuzegar replies:

Mr. Hirschman's comments on my article, "Oil Wealth," call for a brief rejoinder. In those comments, Mr. Hirschman clearly acknowledges his lingering bias in favor of "a substantial expansion of the industrial sector" and an activist role for the government in that process. What he seems to object to in my piece is the alleged paternity for the "big push" theory.

Now, Mr. Hirschman is of course free to place the "balanced growth," the "take-off" and the "big push" theories all in the same (ill-fated) boat. For my part, I, like Benjamin Higgins, happen to equate the "big push" concept with Mr. Hirschman's avowed (and seemingly unabandoned) advocacy of the

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"unbalanced growth" paradigm.[1]

Semantics apart, I still believe that what I attributed to Mr. Hirschman is an accurate and unblemished statement of his basic position in favor of a judiciously "unbalanced" development strategy. My position in the April article was that, in retrospect, the oil-rich countries' emphasis on highly capital-intensive technology, their deemphasis of agriculture, and ensuing lapses from income equity were, *inter alia*, responsible for some of their setbacks and reverses. I also argued that the availability of "unrequited" oil revenues helped the countries underpin their "unbalanced" strategy.

Let me quote from Mr. Hirschman's book, *The Strategy of Economic Development* (paperback ed., New York: Norton, 1978), on all these accounts. Mr. Hirschman unequivocally considers "certain highly capital-intensive pursuits as particularly well suited for underdeveloped countries" (p. 152). He regards it as "rational for governments in underdeveloped countries to concentrate on 'show-pieces' " (p. 144). He believes that "agriculture certainly stands convicted on the count of its lack of direct stimulus to the setting up of new activities through linkage effects: the superiority of manufacturing in this respect is crushing" (pp. 109–110). And he favors the use of foreign capital and aid (read: oil revenues?) "to enable and to embolden a country to set out on a path of unbalanced growth" because they "can be given the blame for departures from whatever standards of distributive justice are considered binding upon governments using their own funds" (p. 206). In what sense, therefore, are my attributions "exactly the opposite" of Mr. Hirschman's position, as he claims?

In any event, I must add that nowhere in my article did I imply intellectual (or otherwise) responsibility on the part of Mr. Hirschman for the misadventures of the oil exporters. The credit or blame for any economic policy or strategy, based on any theory, must ultimately rest with policymakers. The philosopher is not accountable for the actions of those who interpret and shape his advocated policies rightly or wrongly, properly or by mistake.

MORE BANG FOR THE BUSHEL

To the Editor:

Karl-Eugen Wädekin's Spring 1982 look at "Soviet Agriculture's Dependence on the West" was a thought-provoking analysis that should be required reading for U.S. agricultural policymakers of all stripes. While it is certainly lamentable, there can be little doubt that American agriculture's profitability under the current method of "doing business" is heavily dependent upon sales to Moscow.

In analyzing what to expect in the way of Soviet grain purchases for the next five or more years, Mr. Wädekin acknowledges that Moscow will try very hard to cut down on food imports and speculates that the American farmer will find his market reduced thereby within a few years.

Such a scenario is not hard to envision. As a result of the grain embargo imposed by President Carter in response to the invasion of Afghanistan, existing grain trade agreements with the Soviet Union have been upset and

[1] In his book *Economic Development* (New York: W.W. Norton, 1960), pp. 335–36, Mr. Higgins states that Mr. Hirschman "does not deny the need for a 'big push' " and that he counsels underdeveloped countries "to undertake a 'big push' in strategically selected industries."

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the embargo has relegated the United States to the position of a supplier of last resort. Further exacerbating the dissolution of Soviet reliance on long-term U.S. grain sales are the Reagan Administration's current efforts to induce tight credit restriction policies vis-à-vis Moscow. Continued reliance on the Soviets as an outlet for U.S. farmers' overproduction will lead more often than not to excessive grain surpluses, with the attendant surge in federal price supports and storage costs, and worsened balance of trade.

Beyond the economic costs of a continued dependence on Soviet/East bloc grain import demand, there are also significant political and foreign policy costs. Due to the importance of key farm-bloc supporters in the Congress, for instance, the Reagan Administration has been unable to take the full range of actions (including another grain embargo) against the Soviet Union for its role in the brutalization of Poland. Our European allies have cited the decision not to end U.S. grain shipments as part of the reason for their refusal to comply with suggested U.S. sanctions against the Siberian natural gas pipeline.

Obviously, it would make good sense for the United States to commit itself to developing alternative outlets for U.S. grain production. Mr. Wädekin's article did reveal one dimension of Soviet agriculture that offers a significant opportunity for the United States to create greater U.S. grain trade flexibility.

Mr. Wädekin's revelation is that "the Soviet Union lacks protein feed. . . . To compensate for the declining percentage of forage and dry roughage and increased quantities of grain feed, protein additives should be more than doubled." This need for increased protein additives could easily be met by U.S. exports in a way that would greatly increase U.S. flexibility, stabilize farm income, create jobs and productive investment and, not incidentally, provide a high-grade alternative liquid fuel capable of "backing out" crude oil imports on at least a one-for-one basis. This could be achieved by assuring that a portion of all grain bound for the Soviet Union—and elsewhere—was first processed into alcohol fuel and its high-protein co-products.

The production of ethanol from grain is steadily increasing today in the United States; last year, hundreds of millions of gallons of ethanol-enhanced fuel were consumed by American motorists. What is not widely known is that, in utilizing grain as the feedstock for fuel alcohol production, only the starch is consumed. The resultant high-protein co-products have been widely proven to be superior food and feed materials. One 56-pound bushel of corn, for example, when processed by a "wet-milling" facility yields, in addition to over 2.5 gallons of anhydrous ethanol, the following: 1.7 pounds of corn oil; 3 pounds of corn gluten meal (a 60 percent protein product in great demand by the broiler and layer industries); 14.5 pounds of corn gluten feed (a 21 percent protein material, nearly 3 million tons of which were exported last year to the European Economic Community by U.S. producers); and 15 pounds of high-grade carbon dioxide. In a "dry milling" facility, besides the 2.5 gallons of ethanol, nearly 17 pounds of a 26 to 32 percent protein material called Dried Distillers Grain (DDG) remain after the process.

It is important to note two things about these high protein co-product streams of fuel alcohol production. First, they are superior for use as protein additives for animal feeding purposes. Second, they offer the needed nutrition performance while requiring only one-third the space and weight capacity of the bulk grain, (for corn, 18 pounds of co-products as compared to 56 pounds per bushel of bulk corn.) The Soviet Union's paucity of grain storage and handling capacity makes this concentration effect of great value indeed.

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In this process, the United States will have achieved multiple objectives. The most important include:

(1) *Adding a new dimension of flexibility to U.S. agricultural income and trade.* By first extracting the valuable liquid fuel from a portion of its grain exports, the American farmer can receive significant returns for the ethanol from each bushel, even if Moscow's demand for the feed portions were to decline or be cut off entirely. In the event of an unexpected disruption in trade, the concentrated nature of the high-protein co-product would facilitate storage and lower costs when compared to that required for bulk grains.

(2) *Significantly improving the U.S. balance of trade.* The use of the fuel alcohol domestically would reduce crude oil imports on at least a one-to-one basis. In addition, the sales of the high-protein co-product would generate revenue.

(3) *Stimulating an orderly redirection toward the processing of bulk commodities in the United States rather than recipient countries.* Thus, more American jobs are created, state and federal tax bases are expanded, and a solid infrastructure for future industrial development is established. (It has been estimated that, if only ten percent of the $8.7-billion worth of corn exported by the United States last year were "processed" into wet corn milling products for export, business activity would increase by $7.734 billion, creating 165,300 more jobs and raising personal income in the United States by $1.713 billion.)

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Mr. Wädekin replies:

Regarding Mr. Hallberg's comments, it is true that a higher protein content would greatly improve the average Soviet feeding ration, but it is also true that Soviet animal farms' demand for feed grain would thereby be reduced still more than envisaged in my article. As to transport and storage costs and facilities in the Soviet Union for imported proteinic co-products of fuel alcohol production, these should not be compared to bulk grains but to soybeans and their meals and other comparable commodities. These also figure high in Soviet feedstuff imports, and are likely to expand further, although they are similarly limited by transport and storage facilities and also by the capacities of the vegetable oil and mixed feed industries of the Soviet Union.

Insofar as these limits apply to fuel alcohol co-products as well, the two kinds of protein additives would be competitors in a market which, although big, is limited. According to Mr. Hallberg, the protein content of fuel alcohol co-products is yet higher; in addition, Mr. Hallberg claims that these require less processing capacities for turning them into livestock feed. To the degree that such advantages exist, potential for an expansion of U.S. exports of feedstuffs of this kind, combined with the preceding use for fuel production, indeed seems to exist, and American suppliers may have a technological edge over others. However, for the reasons outlined before, one should not overestimate the *net* effect on the American farm sector and its exports. And after all, I did not say that overall Soviet grain purchases will sizably ebb earlier than the mid-1980s.

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RECENT BOOKS ON INTERNATIONAL RELATIONS

Edited by Lucy Edwards Despard

General: Political and Legal

John C. Campbell

WITNESSES TO THE ORIGINS OF THE COLD WAR. Edited by Thomas T. Hammond. Seattle: University of Washington Press, 1982, 328 pp. $22.50.

There is little comfort for the revisionist school in these recollections of American diplomats, George Kennan and others, who were witnesses to the events in Eastern Europe signaling the onset of the cold war. They confirm what was essentially a no-win situation for the West. The Soviets were there; they had vital security interests at stake, which they saw as requiring not just preponderant influence but domination. The United States did not regard the area as vital; its aims were vague and idealistic, its power position weak and its diplomacy ineffectual. Thomas Hammond, in his concluding piece, summarizes it all admirably. The experience in Eastern Europe, futile and humiliating, determined America to act resolutely elsewhere and thus made the cold war inevitable.

THE NEW COMMUNIST THIRD WORLD. Edited by Peter Wiles. New York: St. Martin's, 1982, 392 pp.

Addressing a significant gap in comparative economic studies, the several authors describe the economies of the Third World states which have joined the Soviet bloc (Cuba, Vietnam, Mongolia), those of the "new communist Third World" which are not there yet but have proclaimed themselves to be on the Marxist-Leninist road (Angola, Mozambique, Ethiopia, South Yemen), the "independent Stalinists" (Albania, North Korea), and the "marginals" (Benin, Congo, Madagascar). The emphasis is on the states in the second group, and Peter Wiles breaks a few lances with Arabists and Africanists who tend to doubt the communist character of these states and to doubt the irreversibility of their course.

TOWARDS ONE WORLD?: INTERNATIONAL RESPONSES TO THE BRANDT REPORT. Edited by the Friedrich Ebert Foundation. London: Temple Smith, 1981, 381 pp. £5.95 (paper).

The responses, 42 in number, are brief commentaries (most written for this volume) by statesmen, scholars, international administrators and others from all over the world. Their opinions converge and conflict, overlap and intersect. Some praise the Brandt Report; others take issue with it; still others go off on a tangent. As a whole, they demonstrate that, primarily because it is a

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program for action, the Report has advanced the North-South dialogue, but also that "one world" is nowhere on the horizon.

GENOCIDE: ITS POLITICAL USE IN THE TWENTIETH CENTURY. By Leo Kuper. New Haven: Yale University Press, 1982, 256 pp. $15.00.

Leo Kuper, combining human concern with a broad historical background and legal skills, examines all the aspects of the question of genocide, with case studies including the fate of the Armenians in Turkey, the Jews in Europe, the Hutu in Africa, and many others. He gives the legislative history of the U.N. Convention on Genocide and deplores the failure of the international community to implement it, especially the international penal tribunal provided for in the Convention.

General: Military, Technological, and Scientific

Andrew J. Pierre

THE FATE OF THE EARTH. By Jonathan Schell. New York: Knopf, 1982, 244 pp. $11.95.

It may be true, as one reviewer has written, that this book about the end of the planet is working its way into the national psyche. Certainly it has been an important contributor to the nuclear-freeze debate and the support for "Ground Zero." To the extent that it is intended to force readers—many of them perhaps for the first time—to confront the horrors of a nuclear conflagration, it does its job extremely well. Yet Schell provides no realistic alternative to our nuclear policy based on the concept of deterrence. His argument—that the knowledge that nuclear weapons can extinguish mankind must be the new deterrent in a disarmed world—is very weak. Are there not psychological and political dangers to tearing down current deterrence policy without offering a suitable replacement?

NUCLEAR ILLUSION AND REALITY. By Solly Zuckerman. New York: Viking, 1982, 151 pp. $10.95.

Lord Zuckerman's concerns about a world filled with nuclear weaponry are not far from those of Jonathan Schell. Yet he writes from the vantage point of a lifetime's experience dealing with the scientific dimension of defense in the British government. His counsel is wise and the book has a number of valuable historical insights based on his years working in close association with Harold Macmillan and Harold Wilson.

NUCLEAR WEAPONS: REPORT OF THE SECRETARY-GENERAL OF THE UNITED NATIONS. Brookline (Mass.): Autumn Press, 1981, 223 pp. $12.95 (paper, $7.95).

This report was requested of the Secretary-General by the General Assembly and presented to it in the autumn of 1980. It focuses on trends in the technological development of nuclear weapons, discusses the effects of their use, and questions the long-term viability of relying upon deterrence doctrine. Written by a panel of experts from 12 countries, it suffers from the nonparticipation of the nuclear power states. Exactly what purpose the report was intended to serve is not self-evident.

STRENGTHENING DETERRENCE: NATO AND THE CREDIBILITY OF WESTERN DEFENSE IN THE 1980s. By Kenneth Rush, Brent Scowcroft and Joseph J. Wolf, the Atlantic Council Working Group on the

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Credibility of the NATO Deterrent. Cambridge (Mass.): Ballinger, 1982, 288 pp. $24.50.

A comprehensive survey of most of the politico-military issues facing NATO. Although the essays do not permit much discussion in depth, the treatment is balanced and realistic. The overriding theme is the need to substantially improve the cohesion of the Alliance at a time of growing divisive forces.

CONTROLLING THE BOMB: NUCLEAR PROLIFERATION IN THE 1980s. By Lewis A. Dunn. New Haven: Yale University Press, 1982, 224 pp. $21.00 (paper, $6.95). A Twentieth Century Fund Report.

The best of recent books on nuclear nonproliferation, this concise volume is an excellent (although sophisticated) primer on the subject. The emphasis on the political dimension is to be welcomed and a number of imaginative proposals are made. Formerly at the Hudson Institute, the author is now at the State Department working on these matters.

THE POLITICS OF URANIUM. By Norman Moss. New York: Universe, 1982, 252 pp. $13.95.

This is both an examination of the accessibility and control of uranium and a recounting of the nonproliferation issue as it evolved during the past decade. There is little new, but the author is well informed and writes clearly so as to make the subject available to a wide audience.

SECURITY POLICIES OF DEVELOPING COUNTRIES. Edited by Edward A. Kolodziej and Robert E. Harkavy. Lexington (Mass.): Lexington Books, 1982, 393 pp. $35.95.

The national security policies and perspectives of many Third World nations have not received as much attention as they should. This book helps fill that gap for 14 of the most important developing countries, with contributions by separate authors. It also provides some instructive generalizations by the co-editors in a concluding chapter.

THE CONDUCT OF JUST AND LIMITED WAR. By William V. O'Brien. New York: Praeger, 1981, 495 pp.

A comprehensive and well-reasoned analysis of the Catholic Church's doctrine of the "just war," especially as it can be applied to the limited-war situations and policies of recent years. Korea, Vietnam and Yom Kippur are treated as case studies.

SOLDIERS, PEASANTS AND BUREAUCRATS: CIVIL-MILITARY RELATIONS IN COMMUNIST AND MODERNIZING SOCIETIES. Edited by Roman Kolkowicz and Andrzej Korbonski. Winchester (Mass.): Allen & Unwin, 1982, 340 pp. $37.50.

This book takes the study of civil-military relations one step further. It seeks to develop new methodological approaches and concentrates on the Middle East and Eastern Europe. A sophisticated work which will be of interest to the scholarly community.

General: Economic and Social

William Diebold, Jr.

MINDING AMERICA'S BUSINESS. By Ira C. Magaziner and Robert B.

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Reich. New York: Harcourt Brace Jovanovich, 1982, 390 pp. $25.00.

This is the best book yet about what industrial policy might be in the United States. It stresses the fact that there is already a great deal of government intervention, of a rather disorderly kind, and devotes about as much attention to what business does wrong as to what the government might do better. The appraisal of what foreign countries have achieved is a bit too favorable, but the emphasis on adjustment and flexibility in the American economy is sound. Magaziner is a business consultant; Reich was a policy planner at the Federal Trade Commission before he joined the faculty of the Kennedy School.

NATIONAL INDUSTRIAL STRATEGIES AND THE WORLD ECONOMY. Edited by John Pinder. Totowa (N.J.): Allanheld, Osmun (for the Atlantic Institute for International Affairs), 1982, 302 pp. $34.50.

An authoritative study of structural change in the world economy precedes, and a suggestive essay on international economic impacts follows, papers on industrial policy in Japan, Canada, the United States and the European Community, and studies of steel and four other industries.

THE UNDERGROUND ECONOMY IN THE UNITED STATES AND ABROAD. Edited by Vito Tanzi. Lexington (Mass.): Lexington Books, 1982, 340 pp. $29.95.

Tax evasion, illegal income, moonlighting, barter and, in socialist countries, private enterprise can all be parts of the underground or "second" economy. This "black" activity can be parasitical or creative, but the authors of these papers are less interested in such matters than in how to figure out what it all amounts to. The editor is with the International Monetary Fund.

THE OIL FACTOR IN U.S. FOREIGN POLICY, 1980–1990. By Melvin A. Conant. Lexington (Mass.): Lexington Books, 1982, 119 pp. $14.95. A Council on Foreign Relations Book.

This is not one more study on energy. Assuming U.S. dependence on imported oil for some time to come, Mr. Conant looks at the resulting problems in foreign policy. Succinctly, he lays out some hard choices for the United States in its relations with the producers, Israel, allies, the U.S.S.R. and our North American neighbors. In the preparation of the book, the author worked with a study group at the Council on Foreign Relations.

OIL: THE MISSED OPPORTUNITY. By Aubrey Jones. New York: Universe Books, 1982, 238 pp. $27.50.

THE OIL MARKET IN THE 1980s: OPEC OIL POLICY AND ECONOMIC DEVELOPMENTS. By Dimitri Aperjis. Cambridge: Ballinger, 1982, 240 pp. $33.50.

A former British government minister, Jones argues that the oil-producing countries are not making the best use of their assets and that the consumers should help them industrialize. Aperjis, of the MIT Energy Laboratory, combines mathematics and politics to suggest what possibilities are open to different kinds of oil producers when demand is high or low.

A POOR HARVEST: THE CLASH OF POLICIES AND INTERESTS IN THE GRAIN TRADE. By Richard Gilmore. New York: Longman, 1982, 303 pp. $25.00.

Almost all aspects of international agriculture come into this book in one

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way or another. The author's main concern, however, is with the big multinational companies that dominate the international grain trade. That they limit the ability of the U.S. government to control the situation is clear enough; by stressing their ability to profit from every situation, he plays down the usefulness of their integrating the world market. He has a strong case for better information on American exports but a much more dubious one for an export tax on grain.

GLOBAL MONETARY ANARCHY. Edited by Randall Hinshaw. Beverly Hills: Sage, 1981, 200 pp. $20.00 (paper $9.95).

For the seventh time, the skillful editing of Randall Hinshaw puts in compact and highly readable form long discussions among major authorities on complex issues. The conference was held in 1978, but, as the anarchy has not abated, most of the comments are still very much in order.

BACK TO THE REALITIES: REFLECTIONS OF A HUNGARIAN BANKER. By János Fekete. Budapest: Akadémiai Kiadó, 1982, 359 pp. $35.00.

The Deputy President of the National Bank of Hungary has been a pioneer in weaving connections between his country and the world economy. He has also helped shape the remarkable innovations the Hungarians have made in the concept of a centrally planned socialist economy. The 30-odd well-edited papers (in English) in this volume reflect both sides of his work with lucidity and humor. The "realities" to which this Marxist economist would like to return include fixed exchange rates and an international standard linked to gold.

ESSAYS IN ECONOMICS: THEORY AND POLICY. By James Tobin. Cambridge: MIT Press, 1982, 736 pp. $45.00.

The 31 papers in this volume cover a number of topics. Those of most general interest to readers of *Foreign Affairs* are several on international monetary reform and the latest Nobel prize-winner's attractive piece about the life and works of six fellow economists.

ESSAYS IN TRESPASSING: ECONOMICS TO POLITICS AND BEYOND. By Albert O. Hirschman. New York: Cambridge University Press, 1982, 310 pp. $29.50.

This fascinating miscellany comprises comments and extensions of ideas put forward in earlier Hirschman writings and responses to critics. Few people's work would stand up well under this kind of treatment, but Professor Hirschman is one of our most original thinkers and the second looks are often as creative as the first.

FIRST THINGS FIRST: MEETING BASIC HUMAN NEEDS IN DEVELOPING COUNTRIES. By Paul Streeten and others. New York: Oxford University Press (for the World Bank), 1982, 206 pp. $18.95 (paper, $7.95).

This straightforward assessment of what the World Bank has been able to do about basic human needs—and what has been learned in the process—comes from people who played an important part in selling the idea. They have cogent defenses against the prevailing suspicions both in aid-giving and developing countries. They are not called on to guess whether the new regime at the Bank will share their views.

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TRADE AND DEVELOPMENT POLICIES: LEADING ISSUES FOR THE 1980s. By Alexander J. Yeats. New York: St. Martin's, 1981, 208 pp. $27.50.

An American on the staff of the U.N. Conference on Trade and Development provides some good solid studies of developing-country trade, with emphasis on its composition and direction and the need for more study of a number of issues including the part played by multinational corporations.

THE RECALCITRANT RICH. Edited by Helga Ole Bergesen, Hans Henrik Holm and Robert D. McKinlay. New York: St. Martin's, 1982, 266 pp. $25.00.

Sharp and fairly short sketches and explanations of the responses to developing-country demands by seven West European countries, the European Community, the United States and the U.S.S.R., which are interesting but not beyond controversy.

U.S. FOREIGN POLICY AND THE THIRD WORLD: AGENDA 1982. Edited by Roger D. Hansen. New York: Praeger (for the Overseas Development Council), 1982, 249 pp. $25.95 (paper, $7.95).

Trade, aid and food in the setting of U.S. foreign policy provide the focus for the latest issue of this excellent annual.

INTERNATIONAL BORROWING BY DEVELOPING COUNTRIES. By Marilyn J. Seiber. Elmsford (N.Y.): Pergamon Press, 1982, 209 pp. $27.00.
INTERNATIONAL RESERVES, EXCHANGE RATES, AND DEVELOPING-COUNTRY FINANCE. Edited by Norman C. Miller. Lexington (Mass.): Lexington Books, 1982, 157 pp. $19.95.

Expecting the debt problem of the developing countries to get worse, Seiber proposes the creation of a variety of rescue operations, including anticipatory rescheduling, discounting by the IMF, and help from OPEC. The distinguished participants in the conference covered in the Miller volume deal with a somewhat wider range of issues.

The United States

Gaddis Smith

YEARS OF UPHEAVAL. By Henry Kissinger. Boston: Little, Brown, 1982, 1283 pp. $24.95.

Here is the second installment (one more to come) of Henry Kissinger's gigantic memo of conversations with himself and others in the conduct of American foreign policy from 1969 through 1976. The book sustains the old cliché that no author of a memo ever depicts himself as losing an argument. The first volume, *White House Years*, was a tale of triumphs culminating in the opening to China, SALT I, Nixon's reelection, and the end of American combat in Vietnam in January 1973. This volume is about damage control in the midst of the Watergate debacle. The substantive core of the book concerns the Middle East War of 1973 and its consequences. Once again we are treated to an excess of homilies ("If peace is equated simply with the absence of war . . . it can become an abject pacificism that turns the world over to the most ruthless") and praise of those able to use force swiftly and brutally if necessary. But disciples and critics alike must applaud the quick appearance of such a detailed account.

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THE PAST HAS ANOTHER PATTERN: MEMOIRS. By George W. Ball. New York: Norton, 1982, 527 pp. $19.95.

Clarity, serenity and precision are the marks of this major contribution to an understanding of American foreign policy during the past 40 years. The book deserves to be compared with Dean Acheson's *Present at the Creation* (but less self-satisfied) and George Kennan's *Memoirs* (but less introverted). Although the author is best known to the general public for his opposition to American military involvement in Vietnam, the historian will find his discussion of European issues the most interesting part of the book.

CHINABOUND: A FIFTY-YEAR MEMOIR. By John King Fairbank. New York: Harper, 1982, 416 pp. $17.95.

Chinese-American relations have been shaped on the American side by a small number of powerful personalities—merchants, missionaries, diplomats and scholars. John Fairbank is first among modern scholars. From 1930 to the present, his career has been entangled in the twists and turns of international politics, but his devotion to serious scholarship and his entrepreneurial energy in that cause have remained constant. This memoir is self-confident, incisive and fascinating.

THE IMPERIAL ROCKEFELLER: A BIOGRAPHY OF NELSON A. ROCKEFELLER. By Joseph A. Persico. New York: Simon & Schuster, 1982, 314 pp. $16.50.

A well-written memoir-biography by Governor Rockefeller's chief speech writer. The tone is affectionate but not adulatory. Rockefeller, the author says, "was able, as few men are, to make happen most of what he wanted. But not what he wanted most."

THE KENNEDY IMPRISONMENT: A MEDITATION ON POWER. By Garry Wills. Boston: Atlantic/Little, Brown, 1982, 310 pp. $14.95.

An unrelenting, gossipy, and self-indulgent attack on the Kennedys, readable but thin. Wills depicts Joseph Kennedy as a thoroughly corrupt man and President Kennedy as his worthy successor. There is a glimmer of compassion and sympathy for Edward.

215 DAYS IN THE LIFE OF AN AMERICAN AMBASSADOR. By Martin F. Herz. Washington: School of Foreign Service, Georgetown University, 1982, 269 pp. $9.85.

The author was Ambassador to Bulgaria in 1976–1977. His diary notes—witty, sarcastic, often acidulous—are good reading and illuminating about the day-to-day problems in a small post within the Soviet bloc.

TOWARDS A NEW COLD WAR. By Noam Chomsky. New York: Pantheon, 1982, 497 pp. $8.95 (paper).

These long essays written over the past decade will sustain the author's reputation as a slam-bang hitter for the American intellectual Left. He excoriates every aspect of American policy and everyone who has supported it in print. He is particularly vitriolic on policy in the Middle East and on Israel's harsh stance toward the Palestinians. The most interesting essay deals with the tacit support by the United States for Indonesia's brutal but little-noticed war against the people of East Timor.

JOHN FOSTER DULLES: THE ROAD TO POWER. By Ronald W. Pruessen. New York: Free Press, 1982, 576 pp. $19.95.

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In the first volume of a projected two-volume definitive biography, the author traces Dulles's life from childhood to 1952, just before he became Secretary of State. By looking closely at the development of his ideas and at his extensive experience in the legal representation of international business, Pruessen adds enormously to our understanding of a man far more complex than his stereotyped public image would suggest. A solid, original study.

TRADE AND AID: EISENHOWER'S FOREIGN ECONOMIC POLICY, 1953–1961. By Burton I. Kaufman. Baltimore: Johns Hopkins, 1982, 279 pp.

This well-researched monograph runs counter to the current fashion of praising President Eisenhower's brilliance. It argues successfully that foreign economic policy was marred by the President's concessions to protectionist sentiment and his "strident anticommunism."

AMERICAN INTERVENTION IN GREECE, 1943–1949. By Lawrence S. Wittner. New York: Columbia University Press, 1982, 445 pp. $19.95.

This book deals primarily with the American role in Greece after the declaration of the Truman Doctrine: the application of military power, the uncritical embrace of reaction, the suppression of uncooperative political elements, and the crucial success in persuading Tito to withdraw Yugoslavian assistance to the Greek Communists. In 1949 most Americans were euphoric about the results of this policy. Today many must share the author's conclusion that in the long run "American policy toward Greece ended in shambles."

PAWNS OF YALTA: SOVIET REFUGEES AND AMERICA'S ROLE IN THEIR REPATRIATION. By Mark R. Elliott. Champaign: University of Illinois Press, 1982, 287 pp. $17.95.

The Western allies and the Soviet Union agreed at Yalta that nationals of each found behind the other's lines during the liberation of Europe from German control would be turned over without regard to the wishes of the individuals concerned. In practice, this meant that the British and Americans often delivered Soviet citizens for imprisonment or execution in their homeland. This account of a sickening episode in history is based on thorough research into American archives and a mastery of the existing literature in English and Russian.

AMERICA AND THE SURVIVORS OF THE HOLOCAUST. By Leonard Dinnerstein. New York: Columbia University Press, 1982, 336 pp. $19.95.

This study, based on extraordinarily deep research, deals frankly with the impact of anti-Semitism on American treatment of displaced persons. The documented attitudes of some army officers and Congressmen is truly appalling. Eventually, as Dinnerstein shows, anti-Semitism was overcome and the United States did adopt a reasonably compassionate policy. The delay was tragic.

THE END OF AN ALLIANCE: JAMES F. BYRNES, ROOSEVELT, TRUMAN, AND THE ORIGINS OF THE COLD WAR. By Robert L. Messer. Chapel Hill: University of North Carolina Press, 1982, 340 pp. $19.95.

By focusing on the intellectual and personality limitations of Byrnes and Truman and their gross mishandling of one another during the crucial first year of the Truman presidency, the author illuminates one phase of the American side of the cold war. He places primary blame on Truman for an increasingly dogmatic and inflexible policy and sees Byrnes as more victim than villain.

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LOVE, ELEANOR: ELEANOR ROOSEVELT AND HER FRIENDS. By Joseph P. Lash. New York: Doubleday, 1982, 534 pp. $19.95.

This is a curious but enthralling book. It seeks both to portray Eleanor Roosevelt in her own words through her correspondence with her most intimate friends and to refute charges that she had sexual relations with Lorena Hickok and extramarital affairs with two men including Joseph Lash, her political protégé and biographer. Lash includes facsimiles of military intelligence documents of 1943 pertaining to an improper and incompetent investigation of Mrs. Roosevelt and himself. Lash answers the lascivious charges and gives us a fine supplement to his two-volume biography of the First Lady.

The Western Hemisphere

Robert D. Crassweller

THE SHAPING OF PEACE, VOL. II: CANADA AND THE SEARCH FOR WORLD ORDER, 1943–1957. By John W. Holmes. Toronto: University of Toronto Press, 1982, 464 pp. $37.50.

The theme of this excellent study is the effort of Canadian diplomatists to influence institutions, above all the United Nations, toward the establishment of world stability. Lester B. Pearson is the hero of the story, and Canada's peacemaking role in the Suez crisis of 1956 is the climax. The author, now a professor of international relations, was an officer in the Department of External Affairs during the years he describes.

G.S.

CANADA AND THE UNITED STATES: DEPENDENCE AND DIVERGENCE. By the Atlantic Council Working Group on the United States and Canada. Cambridge: Ballinger, 1982, 352 pp. $25.00

This volume from the Atlantic Council is aimed at Americans who make or influence policy. The individual chapters deal with investment, trade, environment, Quebec and defense. The material is clearly presented and the recommendations for policy are practical.

G.S.

RÓMULO BETANCOURT AND THE TRANSFORMATION OF VENEZUELA. By Robert J. Alexander. New Brunswick (N.J.): Transaction Books, 1981, 750 pp. $39.95.

A well-known authority on Venezuela presents here a biography, in detail and depth, of his friend, the eminent former president who wrought such profound and constructive changes in the life of his nation. Personal information available to the author has been drawn upon, although the book is not official in the sense of being based on Betancourt's archives.

REVOLUTION AND THE REBIRTH OF INEQUALITY. By Jonathan Kelley and Herbert S. Klein. Berkeley: University of California Press, 1982, 200 pp. $26.50.

Employing a wealth of scholarly tools, the authors examine the 1952 revolution in Bolivia and conclude with a generalization of wide-ranging significance and applicability: revolution leads to the rebirth of inequality. Any change that redistributes wealth from rich to poor and provides new opportunities has a dual nature. It improves the lot of those previously exploited, but it produces growing inequality among the new beneficiaries

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and "as inequality grows, the more successful have ever larger advantages to pass on to their children, and so inherited privilege grows as well." An earlier draft of this book won an award from the American Association for the Advancement of Science.

BITTER FRUIT: THE UNTOLD STORY OF THE AMERICAN COUP IN GUATEMALA. By Stephen Schlesinger and Stephen Kinzer. New York: Doubleday, 1982, 320 pp. $16.95.

With enthusiasm, indignation, and much colorful detail, the authors delve into the CIA's responsibility for the overthrow of President Arbenz of Guatemala in 1954. Much stress is placed upon the role of the United Fruit Company and of exogenous influences in general. The depiction of Arbenz will strike some as sympathetic to the point of naiveté.

NICARAGUA: THE SANDINIST REVOLUTION. By Henri Weber. London: NLB, 1982, 154 pp. (New York: Schocken Books, distributor, $15.00; paper, $5.50).

First published in France, this brief summary of Nicaraguan travails, past and present, views the Sandinist future with hope, presenting a sympathetic vision of pluralism, democracy and socialist construction.

THE DOMINICAN REPUBLIC: A CARIBBEAN CRUCIBLE. By Howard J. Wiarda and Michael J. Kryzanek. Boulder (Colo.): Westview Press, 1982, 153 pp. $18.50 (paper, $8.50).

A short, competent, generally balanced overview of the Dominican Republic, reflecting useful insights. All aspects are covered, from history, economics and politics to land, people and sociology.

CUBA IN AFRICA. Edited by Carmelo Mesa-Lago and June S. Belkin. Pittsburgh: Center for Latin American Studies, University of Pittsburgh, 1982, 230 pp. $5.95 (paper).

The political, economic and foreign policy aspects of Cuba's current activity in Africa are scrutinized in the six chapters of this volume. Mesa-Lago contributes a final and helpful chapter on the causes and effects of Cuban involvement, listing and comparing benefits and costs, and noting that as the degree of involvement expands, the cost-benefit ratio increases.

Western Europe

Fritz Stern

A STRATEGY FOR CHANGE: THE FUTURE OF FRENCH SOCIETY. By Michel Crozier. Cambridge: MIT Press, 1982, 230 pp. $17.50.

A sociological essay of dazzling sanity, this is an analysis of the real "French disease," in the context of a wider analysis of Western problems of social control and individual life generally. Crozier rejects the fashionable charges of oppression in our societies; he argues that society today allows for remarkable freedom, burdened by increasing complexity. He sees a decline in our capacity to effect change, to make decisions— and for France suggests various practical strategies for freeing ways to innovation, especially in education, administration, the recruitment of elites, and in the use of knowledge. There is much common sense here: "The most powerful generator of social action is no longer

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material inequality but the feeling of humiliation." In his splendid foreword, Stanley Hoffmann writes: "It is not by coincidence that Tocqueville, Raymond Aron, and Crozier have had to criticize relentlessly both the complacency of the Right in power and the illusions of the Left in opposition"—a linkage that should please Crozier.

CHURCHILL AND DEGAULLE. By François Kersaudy. New York: Atheneum, 1982, 476 pp. $19.95.

The largely familiar story of two giants and their strained collaboration, with some new details but not much in the way of new or imaginative interpretation. The weaker of the two giants, the General in exile and without a real army, had a vision of the future that always differed from the ebullient vision of the British leader. De Gaulle's stubborn, historically grounded and circumscribed ideas have great resonance even today, whereas Churchill has become the great example of courage in adversity, an exemplar for beleaguered leaders who think (wrongly) that intransigence and tough rhetoric constituted the essence of Churchill. These were the last great European leaders to exert worldwide influence: one more reason one could wish this book to have been deeper and more searching.

DE GAULLE ET LE GAULLISME. By François-G. Dreyfus. Paris: Presses Universitaires de France, 1982, 319 pp.

A Gaullist tries to define Gaullism (grandeur, independence, national unity, etc.) and its extraordinary hold on France even after the General's death. An interesting but hardly novel view of de Gaulle's thought and style—for the latter was as important as the former. Dreyfus claims a great heritage for Gaullism: all traditions led to or contributed to it. Well-substantiated and well-written, this is an essay on an endlessly fascinating subject.

THE LEFT BANK: WRITERS, ARTISTS, AND POLITICS FROM THE POPULAR FRONT TO THE COLD WAR. By Herbert R. Lottman. Boston: Houghton Mifflin, 1982, 319 pp. $15.95.

A collective history of the great and less great figures of French intellectual life in the years of anti-fascism, of the temptations of Stalinism and, later, of collaborationism, and of the postwar intellectual conflicts. Malraux, Gide, Sartre, Aragon *et al.* dominate these pleasantly informative, gently disillusioning pages. From his Vichy prison, Jean Zay, Léon Blum's Minister of Education, wrote: "If a few great writers save honor by the dignity of their silence, how many others, and not the least among them, rush to serve the new gods, curiously forgetting their past and their own works."

FROM EMBARGO TO OSTPOLITIK: THE POLITICAL ECONOMY OF WEST GERMAN-SOVIET RELATIONS, 1955–1980. By Angela Stent. New York: Cambridge University Press, 1982, 328 pp. $39.50.

A timely study of the role of trade in West German-Soviet relations since 1955. The book is of importance both in regard to method—the careful delineation of the many factions that shaped West German and Soviet economic policies, including pressure groups and rival political actors—and in regard to substance, i.e., the course of relations between the two countries. The author, a young American political scientist, presents a balanced view of the importance of economic factors in shaping political relations; she sees that economic carrots and sticks have limited effect.

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SCENES FROM THE ANTI-NAZI WAR. By Basil Davidson. New York: Monthly Review Press, 1982, 288 pp. $16.00 (paper, $6.50).

A historian recalls his experiences in British liaison with Yugoslav and Italian partisans, in a passionate evocation of the radical nature of these movements: the guerrillas fought not only for liberation from the Germans but for a new social order, free of prewar tyrannies. British officialdom was hardly enamored of such revolutionary aims, but urgent needs forged wartime ties, which most British leaders sought to break as soon as it was militarily feasible. An unambiguously autobiographical account by a partisan of partisans, of whom Davidson says: "They extracted hope and human value from the misery of war."

HANNAH ARENDT: FOR LOVE OF THE WORLD. By Elisabeth Young-Bruehl. New Haven: Yale University Press, 1982, 616 pp. $25.00.

Hannah Arendt exemplified the experience of many European intellectuals, especially of German Jews: a prewar education in Europe, multiple flights from Nazism (first to France, then to America), gradual but never complete assimilation into American life. A philosophical biography, with new and illuminating details and a fine empathetic sense of how her private life and her public roles and her works were intertwined. Written by a former student, with distance and candor, at considerable length, but on the basis of a vast and rewarding inquiry. This is an evocation of a milieu and of a person whose intellectual courage and energy were legendary, and whose achievement is for the first time fully examined in this work.

THE DIVISION OF EUROPE AFTER WORLD WAR II: 1946. By W. W. Rostow. Austin: University of Texas Press, 1982, 212 pp. $19.95 (paper, $8.95).

Another title for this memoir *cum* retrospective analysis could be "Present at the Division." At the time a young officer in the European economic section of the State Department, Rostow pushed for a policy propounded by Clayton and Acheson and rebuffed by Secretary Byrnes: to reach for an all-European settlement rather than piecemeal peace treaties that would hasten the emergence of two blocs. None of this is "mere" history—not in the mind of the author, who uses his text to argue for a strong and unambiguous U.S. stance against the Soviet Union, and presumably not in the minds of readers who know that Yalta and its putative division of Europe have become the subject of renewed European interest.

MUSSOLINI UNLEASHED, 1939–1941. By MacGregor Knox. New York: Cambridge University Press, 1982, 385 pp. $29.50.

A careful reconstruction, based on extensive archival research, of Mussolini's disastrous drive to empire. Mussolini sought for Italy great-power status, with preeminence in southern Europe and a great African empire. After Hitler's victories, he triumphed over the prudent elements of the Italian establishment—king, generals, and Church—only to have military defeats shatter his dreams and his regime. A fascinating story, clearly, if not elegantly, told, and of considerable interest to any student of fascism and the Second World War.

HOW I COMMITTED SUICIDE: A REVERIE. By C. L. Sulzberger. New Haven: Ticknor & Fields, 1982, 216 pp. $11.95.

This book is difficult to classify but easy and often delightful to read. Between reflections on life and death and the natural history of beagles, Cy

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Sulzberger, who now lives in Paris and Greece, goes fishing with Djilas in Yugoslavia, sips wines with the Rothschilds at Château Lafite, discusses the world situation with ambassadors, admirals, and government figures including Richard Nixon, and explores ancient and obscure monasteries, forts and towns along the Adriatic coast. He is almost always accompanied by his beagle, Christopher.

The Soviet Union and Eastern Europe

John C. Campbell

RUSSIA AT THE CROSSROADS: THE 26th CONGRESS OF THE CPSU. Edited by Seweryn Bialer and Thane Gustafson. Winchester (Mass.): Allen & Unwin, 1982, 223 pp. $28.50.

A joint Rand-Columbia conference of well-qualified experts on the U.S.S.R., held in April 1981, took the 26th Congress—though half-dismissing it as a non-event—as a takeoff point for consideration of future directions of Soviet policy, domestic and foreign. The crucial matter, as the editors point out, is what effects the inevitable economic pressures are going to have on the political system. Though neither seeking nor finding consensus, the individual contributors are together in predicting hard decisions, if not systemic crisis, for the post-Brezhnev leadership.

POSTWAR SOVIET POLITICS: THE FALL OF ZHDANOV AND THE DEFEAT OF MODERATION, 1946–53. By Werner G. Hahn. Ithaca (N.Y.): Cornell University Press, 1982, 242 pp. $22.50.

Andrei Zhdanov has the reputation of being the prince of dogmatists who carried the day with Stalin in the early years after World War II, but Hahn's extensive study of Soviet material brings forth the conclusion that he was relatively a "moderate" and fell from grace in mid-1948 for that reason. Throwing light on controversies within the Soviet leadership in those years, on the subsequent "Leningrad case," and on the intrigues and excesses of Stalin's last years, it is a fascinating exercise in Sovietology that will have to be taken into account by all who attempt to reconstruct this period or to assess its influence on later developments.

PERMITTED DISSENT IN THE USSR: *NOVY MIR* AND THE SOVIET REGIME. By Dina R. Spechler. New York: Praeger, 1982, 293 pp. $27.95.

Novy Mir, the literary periodical edited by Aleksandr Tvardovsky, became in the Khrushchev era a channel for the exposition of some of the horrors of Stalin's rule and for veiled criticism of the Soviet regime. With exemplary research the author examines this "tolerated dissent" against the background of shifting political trends. Whether these unorthodox ideas reflected the attitudes of a broad stratum of the Soviet population, as she maintains, remains an unproven proposition.

MOSCOW'S MUSLIM CHALLENGE: SOVIET CENTRAL ASIA. By Michael Rywkin. Armonk (N.Y.): Sharpe, 1982, 200 pp. $25.00.

An excellent introduction to a problem of which Moscow and the rest of the world will hear much more in the future, given the political background, the relative growth rates of Muslims and Slavs in the U.S.S.R., and the impossibility of assimilating Muslim peoples into Russian culture. The author recognizes the complexity of the question of identity (for the Soviet Muslims)

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and of policy (for the Soviet regime), and is fair in giving the conflicting views of various Western scholars as well as his own.

SOVIET ECONOMY TODAY: WITH GUIDELINES FOR THE ECONOMIC AND SOCIAL DEVELOPMENT OF THE USSR FOR 1981–1985 AND FOR THE PERIOD ENDING IN 1990. Prepared by the Novosti Press Agency Publishing House (Moscow). Westport (Conn.): Greenwood Press, 1981, 356 pp. $35.00.

This volume, made up of contributions by Soviet academicians and other scholars, seems intended as a guide for foreign businessmen or other visitors. They will do well not to take it as their only companion when setting out to visit the U.S.S.R or study its economy.

AGRARIAN POLICIES IN COMMUNIST EUROPE. By Karl-Eugen Wädekin. Totowa (N.J.): Allanheld, Osmun, 1982, 324 pp. $24.95.

This, the first of three projected volumes on agriculture in the U.S.S.R. and Eastern Europe, is a comprehensive comparative survey, historical and contemporary. Except for Poland and Yugoslavia, which retained a predominant private sector, all these countries had socialized agriculture on the Soviet model by the 1960s and then were forced by poor performance to face the need for reform, which only Hungary has met with any success. A book to be welcomed, with plenty of figures for the specialist and clear and intelligible writing for the general reader.

SOLIDARITY: POLAND IN THE SEASON OF ITS PASSION. By Lawrence Weschler. New York: Fireside/Simon & Schuster, 1982, 221 pp. $16.00 (paper, $8.95).

An expanded version of articles written for *The New Yorker* covering the events of 1981. Lively journalism, it transports the reader back to the atmosphere of that time of high hopes and unresolved conflicts. Weschler adds a brief, thoughtful epilogue on the events of last December.

THE POLITICS OF BACKWARDNESS IN HUNGARY, 1825–1945. By Andrew C. Janos. Princeton: Princeton University Press, 1982, 370 pp. $27.50 (paper, $12.50).

The author has two main goals: to write a political and social history of Hungary and to place it in the perspective of broad general movements of European and global change. He is highly successful on the first count, moderately so on the second, and always stimulating.

The Middle East and North Africa

John C. Campbell

SADAT. By David Hirst and Irene Beeson. London and Winchester (Mass.): Faber and Faber, 1982, 383 pp. $19.95.

Two British journalists well versed in the affairs of the Middle East, and especially Egypt, present a portrait of Sadat completely at variance with that currently in vogue in the West. Going through the successive stages of the remarkable career in which "Nasser's donkey" made himself the absolute ruler of Egypt and, in the eyes of the Western world, the great statesman of the age, they recognize his talents—boldness, courage and a long view, along with cleverness, mastery of tactics, and a genius for self-promotion—but are harsh in judging his record, especially at home. And in a judgment many will find

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unfair, they see even his peacemaking as a disservice to peace. The picture is overdrawn, yes, but so was Sadat's public-relations picture of himself which so many accepted.

THE NEW ARAB SOCIAL ORDER: A STUDY OF THE SOCIAL IMPACT OF OIL WEALTH. By Saad Eddin Ibrahim. Boulder (Colo.): Westview Press, 1982, 208 pp. $18.00.

The oil revolution has not yet created a "new order," but it has broken down the old one and transformed relations among Arab states. This sociological study is no more than a beginning of an attack on a vast subject, but its approach is intelligent and its methods, both statistical and analytical, are well chosen and well applied.

THE ARAB WORLD'S LEGACY. By Charles Issawi. Princeton: Darwin Press, 1981, 378 pp. $17.95.

Charles Issawi is at home in the politics and economics of the contemporary Middle East, but likes to look at them in long historical perspective. These collected essays, written over the past several decades, carry us back to ancient times and to many points in between. Some are relevant to today, some not; all are written with sound scholarship and urbane detachment.

DESTINATION PEACE: THREE DECADES OF ISRAELI FOREIGN POLICY. By Gideon Rafael. New York: Stein & Day, 1981, 403 pp. $16.95.

Ambassador Rafael follows the example of Walter Eytan, Abba Eban and others in setting forth, through personal recollection, the record of the making and execution of Israel's foreign policies since independence. He held key posts in strategic places (at the United Nations and in the Foreign Ministry) during the major crises and wars, and he tells a great deal about both policies and personalities. An important book, thoroughly prepared and admirably well written.

YEARS OF WRATH, DAYS OF GLORY. By Yitshaq Ben-Ami. New York: Robert Speller, 1982, 601 pp. $15.00.

Autobiography and history are combined in this chronicle of unending struggle, in the 1920s and 1930s, by the Zionist Revisionists and the Irgun Zvai Leumi (the movement of Jabotinsky and Begin) to get Jews from Europe to Palestine and then to fight the British and the Arabs for independence. Some of the most interesting parts, as one might expect, have to do with the rivalry and bad blood between the Irgun and the Zionist establishment.

THE SURVIVAL FACTOR: ISRAELI INTELLIGENCE FROM WORLD WAR I TO THE PRESENT. By Stanley A. Blumberg and Gwinn Owens. New York: Putnam, 1982, 307 pp. $15.95.

Israel's *Mossad*, an organization which lives by and depends on secrecy, has recently found its exploits celebrated in print by a number of enterprising and admiring journalists, and some of the subjects covered are still burning, or at least smouldering, issues. This book is hardly professional or authoritative history, but it is rich in detail and based on many different sources, and much of it rings true. Sensationalism, but then most of the episodes were in fact sensational.

THE MOSSADEGH ERA: ROOTS OF THE IRANIAN REVOLUTION. By Sepehr Zabih. Chicago: Lake View Press, 1982, 182 pp. $14.95 (paper, $6.95).

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A careful account of the complicated struggle for power involving the nationalist and reformist forces of Mossadegh, the clerical followers of Kashani, the communists, the army, and the Shah and the ruling elite, ending with the fall of Mossadegh in 1953. The role of British and U.S. intelligence agencies was but one factor in the final outcome, despite the popular conception—itself a political fact of continuing importance—that the CIA alone overthrew Mossadegh and saved the Shah. The author, now a senior scholar in the United States, was at that time a working journalist in Iran and had extensive conversations, then and later, with many of the leading actors in the political drama.

IRAN: THE UNTOLD STORY. By Mohamed Heikal. New York: Pantheon, 1982, 217 pp. $14.50.

Though by no means the whole untold story, this book on the Iranian revolution by the noted Egyptian journalist is of special interest on two counts: one, it provides new information, the result of his own investigations and interviews both before and during the revolution (with the Shah, Khomeini, Bazargan and others); and, two, it gives a new viewpoint, that of a non-Iranian Middle Easterner who sees Americans and the U.S. government as having totally misread and misunderstood Iranian affairs for years.

SECURITY IN THE PERSIAN GULF. VOL. III: MODERNIZATION, POLITICAL DEVELOPMENT AND STABILITY. By Avi Plascov. 183 pp. VOL. IV: THE ROLE OF OUTSIDE POWERS. By Shahram Chubin. 180 pp. Totowa (N.J.): Allanheld, Osmun (for the International Institute for Strategic Studies), 1982, $10.00 each (paper).

These studies follow two earlier publications in the same series (noted in *Foreign Affairs*, Fall 1981). Plascov undertakes the difficult job of describing and interpreting, in short compass, what is happening and will happen as social change and the external environment have their impact on the traditional institutions of the individual Gulf states. A *tour d'horizon* rather than a *tour de force*, this is a competent summary, stressing the elements of instability, although the precise nature of the trouble ahead defies prediction. Chubin, in dealing with the policies of the United States and the U.S.S.R., shows an appreciation both of the relevance of power to policy and of the limits of the military factor as a means of influence. Especially useful are his running accounts of the course of U.S. relations with Iran and Saudi Arabia and of Soviet relations with Iraq.

Asia and the Pacific

Donald S. Zagoria

JAPAN'S OPTIONS FOR THE 1980s. By Radha Sinha. New York: St. Martin's, 1982, 269 pp. $27.50.

This book, written by an economist at Glasgow University, focuses on the trade dispute between the West and Japan. It asks a very basic and disturbing question. What will Japan do if it is pushed too far by a West that is increasingly frustrated by the loss of its scientific and technological preeminence? Not everyone will agree with all the author's conclusions, including the flat assertion that the U.S.-Japan alliance is now a liability, rather than an asset, for Japan. But the book probes one of the crucial questions for

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American foreign policy in the 1980s. How do we prevent our trade problems with Japan—which may increase in severity—from getting out of hand?

COPING WITH U.S.-JAPANESE CONFLICTS. Edited by I. M. Destler and Hideo Sato. Lexington (Mass.): Lexington Books, 1982, 293 pp. $24.95.

"In the end, things seemed to work themselves out." That was in the late 1970s when the cases examined in this interesting book were crucial. But steel, automobiles, agriculture, high technology, and macroeconomic policy are again troubling Japanese-American relations in the 1980s. The authors, who prepared these studies originally for the "wise man's group" appointed by the two governments, hope that their careful efforts to draw political, economic and procedural conclusions from the past will help make things a little bit easier. We shall see.

W.D.

MITI AND THE JAPANESE MIRACLE: THE GROWTH OF INDUSTRIAL POLICY, 1925–1975. By Chalmers Johnson. Stanford: Stanford University Press, 1982, 393 pp. $28.50.

Admired or reviled, the Japanese Ministry of International Trade and Industry is often credited with great achievements and sometimes said to claim credit for what others really did. But always it is a central focus for anyone trying to understand the remarkable performance of the contemporary Japanese economy. This is the best analysis of MITI we have had. Emphasizing its roots in past Japanese practice and the response of state and business to changing circumstances, it traces intellectual influences, personal and official connections of bureaucrats and politicians, and the conflicts of views and interests that go into (usually) finding a consensus.

W.D.

THE EASTASIA EDGE. By Roy Hofheinz, Jr. and Kent E. Calder. New York: Basic Books, 1982, 296 pp. $14.95.

THE TAIWAN EXPERIENCE, 1950–1980. Edited by James C. Hsiung and others. New York: Praeger, 1981, 518 pp. $33.95.

PACIFIC OPTIMISM. PART I: AMERICA AFTER VIETNAM: CONFIDENCE REGAINED. PART II: EXPLAINING ECONOMIC GROWTH: HOW MAGIC IS THE MARKETPLACE? By Donald K. Emmerson. Hanover (N.H.): Universities Field Staff International, 1982, 17 pp.

It is now generally recognized that the free market countries of the Pacific as a whole—and not just Japan—are growing more rapidly than any other region of the world. What is not well understood is *why* they have done so well. The answer will please neither the advocates of central state planning nor the "supply siders" who believe the government has no proper role in economic decisions. Emmerson points out in his very valuable study that "what is most impressive . . . is not their commitment to free-market solutions, but rather the different ways in which the . . . governments have tried to promote growth and deal with its consequences. The lesson here is not across-the-board abstention but sophisticated intervention." In a good introduction to the Hsiung book, Chalmers Johnson cites four elements in the Pacific success story: rule by a technocratic-bureaucratic elite that does not accede to political demands that would undermine economic growth; cooperation between public and private sectors under the overall guidance of a planning

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agency; heavy continuing investment in education for everyone; and a government commitment to market methods of economic intervention. Hofheinz and Calder concur with the assessment that the Pacific countries have benefited from government-business cooperation. They have a useful chapter on the dual role of public and private power. These studies should be widely read not only by those interested in East Asia. There are significant clues here on how to develop an alternative both to Keynesianism and Reaganomics.

CHINA: ALIVE IN THE BITTER SEA. By Fox Butterfield. New York: Times Books, 1982, 468 pp. $19.95.

Butterfield's book is in the tradition of Hedrick Smith's *The Russians.* It is one of the most sobering, perceptive and critical accounts of contemporary China yet published. Fluent in Chinese, the author was able to penetrate far beneath the often superficial impressions of non-Chinese-speaking visitors. He vividly describes the extraordinary inefficiencies of central planning, the rigid class structure, the bureaucratic privilege, and the profound disillusionment that permeates all sectors of Chinese society. A young Chinese tells the author: "China really isn't that different from the Soviet Union. We just smile more than the Russians, so [we] seem nicer."

EIGHTH VOYAGE OF THE DRAGON: A HISTORY OF CHINA'S QUEST FOR SEAPOWER. By Bruce Swanson. Annapolis: Naval Institute Press, 1982, 352 pp. $26.95.

Although China has a vast coastline and more than three million offshore islands, she has always been a continental rather than a maritime power. This interesting book explores the reasons for this orientation and demonstrates that since Mao's death, China has undergone a vast maritime buildup. By early 1981, the P.R.C. commercial fleet was capable of transporting 70 percent of its contracted cargo, a remarkable achievement considering that it could haul virtually nothing in 1970. Moreover, although still technologically backward, the P.R.C. Navy is now the third largest in the world in terms of the numbers of major combatants.

THE DYNAMICS OF CHINESE POLITICS. By Lucian Pye. Cambridge: Oelgeschlager, 1981, 306 pp. $22.50 (paper, $9.95). A Rand Study.

A study of Chinese factionalism which argues that foreign policy issues are not central to the factional conflicts.

CHINA'S ECONOMIC DEVELOPMENT. By Chu-yuan Cheng. Boulder (Colo.): Westview Press, 1982, 535 pp. $35.00 (paper, $15.95).

This book is a little gem. It is a measured, comprehensive and coherent analysis of Chinese economic development since 1949, with a lot of data but a minimum of jargon.

REPORT FROM AFGHANISTAN. By Gerard Chaliand. New York: Viking, 1982, 87 pp. $12.95.

A vivid account of life in Afghanistan since the Soviet invasion, by a veteran French journalist.

ROOTS OF CONFRONTATION IN SOUTH ASIA. By Stanley Wolpert. New York: Oxford University Press, 1982, 222 pp. $14.95.

A prominent historian takes a dim view of U.S. policy in South Asia, which he sees as having oscillated between "inept intervention" and "a total abdication of constructive responsibility." He calls for a Geneva conference on

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Afghanistan (although he doesn't say how to get the Soviets to come) and undiminished pressure against the Russians until they withdraw.

THE UNITED STATES AND THE REPUBLIC OF KOREA: BACKGROUND FOR POLICY. By Claude A. Buss. Stanford: Hoover Press, 1982, 198 pp. $10.95 (paper).

This book fills a gap: it is a well-balanced and informative primer on South Korea, including some recent material on developments since the assassination of Park Chung Hee.

Africa

Jennifer Seymour Whitaker

PERSONAL RULE IN BLACK AFRICA: PRINCE, AUTOCRAT, PROPHET, TYRANT. By Robert H. Jackson and Carl G. Rosberg. Berkeley: University of California Press, 1982, 316 pp. $25.00.

This fascinating study of African governance since Independence scrutinizes a neglected area of political analysis, focusing on the importance of individual leadership styles rather than social, cultural and economic variables. Nudging our mental furniture a bit, the authors vividly remind us of the obstacles to "legal" governance where existing institutions do not really match those set forth in the promulgated constitutions. As they assess African leaders—chiefly according to their ability to hold things together rather than their development performance—an impressively skilled group of politicians emerges among the long-term survivors. Unfortunately, the leadership of the Marxist states has not had a long enough run to qualify within the authors' schema and the question of how far socialist institution-building may affect modes of leadership is not addressed. It is to be hoped that this approach may be extended to assess leadership in terms of institution-building as well as consolidation of power.

AH, BUT YOUR LAND IS BEAUTIFUL. By Alan Paton. New York: Scribner's, 1982, 271 pp. $12.95.

Lyricism and hope survive Paton's decades of struggle and partial silence; nonetheless, the fragmented structure of his novel about the formation of the South African Liberal Party conveys a perceptible weariness. The book catches its marvelously realized assemblage of South Africans at a particularly poignant moment—as apartheid is emerging but before its later grip on all their lives can be foreseen.

SOUTH AFRICA AND THE UNITED STATES: THE EROSION OF AN INFLUENCE RELATIONSHIP. By Richard E. Bissell. New York: Praeger, 1982, 147 pp. $16.95 (paper, $6.95).

Looking at the political, military, economic and sociocultural aspects of the U.S.-South Africa relationship, the author argues that U.S. influence has declined, seemingly because of a faltering American resolve to combat communism. While the reader is led to infer that the United States has blown it with South Africa, what this country has lost thereby and whether this could be remedied are not explicitly considered.

ISOLATING APARTHEID. By Baldwin Sjollema. Geneva: World Council of Churches, 1982, 136 pp.

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This scattershot assault on apartheid is useful for its documentation of little-known facts about Western anti-apartheid activities.

FROM THE CONGO TO SOWETO: U.S. FOREIGN POLICY TOWARD AFRICA SINCE 1960. By Henry F. Jackson. New York: Morrow, 1982, 324 pp. $13.95.

This provocative study touches all the bases, probing the important cases of U.S. involvement in Africa (the Congo, Angola, South Africa), laying out U.S. interests in Africa's minerals and strategic outposts, and depicting the concern of American blacks with Africa since the nineteenth century. Riding his theses rather hard, Jackson argues strongly against an ineluctable U.S. tendency to react in cold-war terms to African crises.

THE CONGO CABLES: THE COLD WAR IN AFRICA FROM EISENHOWER TO KENNEDY. By Madeleine G. Kalb. New York: Macmillan, 1982, 457 pp. $19.95.

For the Congo buff and even the general reader, a fascinating return to the scene, via a multitude of sources and particularly a batch of State Department cables newly unearthed through the Freedom of Information Act. The moral: despite the enormous alterations in the nature of international relations since 1960 (especially the political predominance of the Third World in the United Nations), cold-war emotions and reactions in the early 1960s have a contemporary ring.

SOVIET AND AMERICAN INFLUENCE IN THE HORN OF AFRICA. By Marina Ottaway. New York: Praeger, 1982, 187 pp. $21.95.

This penetrating study sets its analysis of superpower involvement in the Horn against a background of a highly knowledgeable review of internal Ethiopian and Somali politics over several decades. The author concludes that neither superpower has been able to parlay its (largely military) aid into significant leverage over the policies of its "clients"—and only the use of force would enable them to do so.

ALTERNATIVE FUTURES FOR AFRICA. Edited by Timothy M. Shaw. Boulder (Colo.): Westview Press, 1981, 365 pp. $30.00 (paper, $14.00).

A group of social scientists apply a variety of theories and perspectives to analyzing Africa's two main continuing problems—poverty and dependency. Grapple as they may, the future looks much like the present, only more so.

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Janet Rigney

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